هكذا من الأصل

MONDAY SPORTS
Senna Wins Prix Title After Crash With Prost
Page 20

International Herald Tribune

Published With The New York Times and The Washington Post

No. 33,484 43/90 ** PARIS, MONDAY, OCTOBER 22, 1990 ESTABLISHED 1887

Algeria 6.00 Dh. Iran 115 Rials Oman 1.000 Rials
Austria 25 S. Israel NIS. 3.50 Poland 15.000 Zl.
Bahrain 0.800 Dnr Italy 2,200 Lire Portugal 170 Esc.
Belgium 50 B.Fr. Jordan 1 JD Qatar 8.00 Rials
Cyprus C.£ 1.00 Kenya Shs. 45 Rep. of Ireland 80 P.
Czechoslovakia 25 Kr Kuwait 500 Fils Saudi Arabia 7.00 R.
Denmark 12.00 D.Kr. Lebanon U.S.$1.10 Spain 165 Ptas.
Egypt E.P 3.750 Libya L.Din. 0.69 Sweden 10.00 S.Kr.
Finland 8.00 F.M. Luxembourg 50 L.Fr. Switzerland 2.60 S.Fr.
France 8.00 F. Madeira 175 Esc. Tunisia 1.000 Din
Germany 2.80 D.M. Morocco 11.00 Dh. Turkey T.L. 3,000.00
Great Britain £0.70 Netherlands 3.00 Fl. U.A.E. 8.00 Dirh
Greece 200 Dr. Norway 12.00 N.Kr. U.S. Mil. (Eur.) $0.85
Hungary 100 Ft. Nigeria 12.00 Naira Yugoslavia 20 ND.

Cincinnati Sweeps World Series

Paul Sakuma/The Associated Press

Members of the Cincinnati Reds were jubilant after beating the Oakland Athletics, 2-1, in Game 4 of the World Series, giving them a four-game sweep and the 1990 baseball championship. Page 21.

A Lebanese Chief Is Killed

Chamoun, Ex-Leader's Son, Backed Aoun

By Ali Jaber
New York Times Service

BEIRUT — Gunmen posing as soldiers killed Dany Chamoun, the head of one of the principal Lebanese Christian clans, and his wife and two sons at their home in East Beirut on Sunday.

Mr. Chamoun, whose father was president of Lebanon from 1952 to 1958, was a close associate of Major General Michel Aoun, the rebel Christian military leader who was forced to surrender to the government on Oct. 13 and has taken refuge in the French Embassy.

The general's surrender, after an attack by Syrian and Lebanese Army troops, was hailed by Lebanese leaders as a sign that prospects were improving for a peaceful settlement of Lebanon's 15-year-old civil war.

But the killings on Sunday raised concern that a new round of violence might erupt between rival Christian factions and possibly between Christian forces and the Syrian Army.

Mr. Chamoun, 56, inherited his political career and the presidency of the National Liberal Party, a rightist Christian group, from his father, Camille.

As president in 1958, the elder Chamoun asked the United States to send troops to preserve his government, which he said was threatened by an internal Muslim and leftist rebellion and a new military regime in Iraq. The Eisenhower administration sent 10,000 Marines, who stayed from July to October. The former president died in 1987.

Dany Chamoun also led an armed faction of Lebanese Christians after the civil war began in 1975. He was a staunch supporter and adviser of General Aoun, who fought against the Syrian-backed government of President Elias Hrawi.

Mr. Chamoun was also a rival to the hard-line Christian militia leader Samir Geagea, who fought General Aoun early this year for the military leadership of the Christian community, and lost.

After General Aoun's surrender, Mr. Chamoun refused to escape to an area north of Beirut held by his enemies, preferring to stay at home in the East Beirut suburb of Baabda under protection of pro-Syrian Lebanese Army soldiers, his neighbors said.

Security officials said a dozen gunmen in camouflage uniforms surrounded the apartment building where Mr. Chamoun lived at 7:10 Sunday morning. Some of them burst into his fifth-floor apartment and shot him as he answered their knock at the door.

Then they fired silencer-equipped pistols and machine guns at his wife, Ingrid; their two sons, 5 and 7 years old, and their 11-month-old daughter. Only the daughter survived.

The assailants fled in two cars, the security officials said.

Iraq Will Free Some Britons, Heath Is Told

Ex-Prime Minister Says Step Came as Result of His Visit

Compiled by Our Staff From Dispatches

BAGHDAD — President Saddam Hussein told Edward Heath, the former British prime minister, on Sunday that he would release an unspecified number of Britons held in Iraq.

Mr. Heath, after three hours of talks with Mr. Hussein, said arrangements would be made for some men to return home on Tuesday.

"The president assured me," Mr. Heath said, "that some will be returning as a result of my visit." Mr. Heath had been criticized by Conservative politicians in Britain for his attempt to gain freedom for sick or elderly British captives.

British diplomats say 53 Britons, about half of them held at strategic sites in Iraq to deter attack by U.S.-led forces in the Gulf, are seriously ill or elderly. In all, more than 1,400 Britons are held in Iraq and Kuwait.

In another development, a U.S. destroyer was tracking an Iraqi vessel on Sunday in the Gulf after the ship defied two warning shots and tried to elude American warships, military officials said.

The U.S. destroyer O'Brien fired several shots across the bow of the ship after the ship did not answer its radio and ignored commands to stop, a Pentagon spokesman said in Washington.

U.S. military officers in Saudi Arabia said the vessel was headed for Yemen and was being tracked by Italian and U.S. warships.

The Pentagon spokesman said the incident was one of about a dozen cases in which U.S. ships have fired warning shots to enforce trade sanctions on Iraq.

Mr. Heath, 74, has urged world leaders to negotiate with Mr. Hussein to avoid war in the Gulf.

His trip, which ends Tuesday, was criticized by some members of the Conservative government, which has contributed to the Gulf buildup and has taken a tough stand against Mr. Hussein.

Mr. Heath said Mr. Hussein had discussed the Gulf crisis and had said that he would work to achieve a peaceful solution.

Mr. Hussein gave no indication that he was ready to withdraw from Kuwait, which he invaded Aug. 2, Mr. Heath added.

"His emphasis on diplomatic action was very considerable," Mr. Heath said, "and what he wants to see is a stable order in the Middle East as a whole."

Mr. Heath is, after President Kurt Waldheim of Austria, the most senior Western politician to visit Iraq since the crisis began. Mr. Waldheim was in Baghdad in late August.

A Finnish delegation will return Monday from Baghdad after failing to negotiate the release of 14 Finns in Iraq, Finnish national television reported Sunday.

Iraq, meanwhile, conceded Sunday that it was feeling a significant impact from economic sanctions. But in an indication that it was not prepared to yield, it said its army was on full alert and ready to confront U.S.-led forces.

Iraq's press agency, INA, played up reports of demonstrations in the United States against U.S. military intervention in the Gulf.

INA quoted the semiofficial newspaper Ath Thawra as saying that economic sanctions, imposed by the United Nations in an effort to force Iraqi troops from Kuwait, "conspicuously affect" the country.

Iraq announced Friday that it would begin rationing gasoline on Tuesday for private cars, trucks and taxis, but not the military.

Dick Cheney, the U.S. defense secretary, said Saturday in Paris that the embargo imposed on Iraq was starting to have a serious impact on the Iraqi economy and its ability to sustain its occupation force.

After talks with the French defense minister, Jean-Pierre Chevènement, Mr. Cheney said the U.S. and French governments were hopeful that Iraq's growing economic difficulties would persuade Mr. Hussein to withdraw from Kuwait and accept a peaceful resolution of the Gulf crisis.

But Mr. Cheney stressed that the United States had "not ruled out other options," such as the use of military force, in ousting Iraqi troops from Kuwait. He said Washington believed it had sufficient authority under the United Nations charter to undertake a mil-

See HEATH, Page 4

Crisis in the Gulf

U.S. aides find it hard to assure achievable goals. Page 5.
OPEC's secretary-general discusses the oil outlook. Page 11.
Debate goes on over policy before the invasion. Page 5.

The Associated Press

Edward Heath and Saddam Hussein during talks Sunday concerning the fate of British hostages.

Iraq Said to Be Learning How to Use Captured U.S. Missiles

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — Iraqi military forces are beginning to learn how to operate sophisticated U.S. Hawk anti-aircraft missiles and radars that were captured in Kuwait and brought back to the Baghdad area, U.S. officials and government analysts have disclosed.

The development has aroused concern because the Iraqis captured about 150 of the highly accurate missiles, which, in the hands of properly trained military technicians, could pose a substantial threat to U.S. and allied warplanes if they attacked Iraqi targets.

Many U.S. and allied military aircraft in the region have no ready means of protection against the Hawk system, the officials said. They said initial concerns stemming from the capture of the Hawks during Iraq's invasion of Kuwait in early August increased a week ago, when electronic intelligence operations in the region detected the first signs of Hawk radar operation at a test site for air-defense equipment near Baghdad.

The radar emanations indicated that Iraq was "playing around" with the weapon systems, as one official put it, but still remained weeks to months away from deploying them.

Although U.S. officials publicly dismissed any possibility two weeks ago that the Iraqis could operate the complex weapons, a senior U.S. analyst said last week that "in a while, the Iraqis will know how" to use them.

A U.S. official who specializes in military intelligence agreed and said the development "will complicate our planning if we actually go after Baghdad — and the more complex the operation, the more likely we are to suffer losses."

A senior military official said a classified report of the Iraqi action was swiftly circulated to policymakers last week because the Hawk "is a damn good system, and we would not like to see the Iraqis operate it."

One official said Iraq had captured four or five Hawk installations, each containing six missile-launchers. Each missile is designed to strike a high-speed aircraft flying at low-to-medium altitude up to 25 miles (40 kilometers) away.

The missiles are said to be superior to any anti-aircraft weapon in the Iraqi arsenal and identical to the best equipment now possessed by Saudi Arabia. An industry source said the version captured by Iraq was improved in the mid-1980s to avoid defeat by modern electronic countermeasures.

Although U.S. Air Force officials have admitted that there is no protection against the missiles, one official said commanders were "not worried now" because the captured Hawk systems were still being tested. The official said that even if the systems became operational, "we feel we can deal with them" through radar jamming and evasive aircraft maneuvers.

But other officials said Washington had been so concerned about the missiles that senior Jordanian officials were asked about Israeli reports that Jordanian technicians were teaching the Iraqis how to use

See HAWK, Page 4

Yoshikazu Tsuno/Agence France-Presse

CHAIN OF COMMAND — Policemen blocking a "human chain" of dissidents Sunday at the U.S. air base at Yokota near Tokyo after several civic groups linked up against a government plan to order Japanese Self-Defense Force personnel to the Middle East.

Arab Worker Stabs and Kills 3 Israelis

By Jackson Diehl
Washington Post Service

JERUSALEM — An Arab construction worker wielding a 16-inch knife killed three Israelis on Sunday in a normally quiet West Jerusalem neighborhood, re-igniting passions between Arabs and Jews here less than two weeks after riots on the Old City's Temple Mount.

Following the killings, which ended when the worker was subdued and arrested, crowds of Jews attacked Arabs and journalists and stoned cars on roads leading to the occupied West Bank. The police ordered heavy reinforcements onto the streets to prevent further violence.

The Arab assailant, a 19-year-old man from Bethlehem, shouted "*Allahu Akhbar*," or "God is Great," as he stabbed his victims. Authorities said he may have been motivated by a desire to avenge the deaths of about 20 Palestinians shot by the police in the Temple Mount clashes Oct. 8.

The three victims included an 18-year-old female soldier, a 43-year-old gardener and a 26-year-old off-duty policeman, who shot the Arab twice in the legs before falling dead. A 13-year-old boy was lightly wounded, the police said.

Witnesses said the assailant, who had worked at a construction site in the area, suddenly attacked the soldier as she walked away from her home, in uniform but unarmed. "I saw a young man pounce on a young woman and stab her with deep wounds in the thigh," said Tzipi Kleiner, a local resident. "I screamed 'murder,' and he began to run away."

After leaving the soldier on the

See ISRAEL, Page 4

Negotiations on U.S. Budget Stall Again

By Fred Farris
International Herald Tribune

WASHINGTON — President George Bush's chief of staff, John H. Sununu, said Sunday that talks with Democratic congressional negotiators on a compromise plan to cut the federal budget deficit had collapsed.

Mr. Sununu said the talks had broken down because of Democratic intransigence. Before his announcement, an agreement had been expected Sunday night or Monday.

Administration officials and congressional Republicans had offered to raise the income-tax rate on wealthiest Americans without demanding a cut in the capital-gains tax rate in return.

This, in addition to hopeful comments from some of the principals on Sunday television interview programs, had appeared to indicate progress in the negotiations between the White House and the Democratic-controlled Congress.

The root of the disagreement is in the method for raising taxes on the wealthiest Americans. Democrats have proposed a 7.5 percent surtax on incomes above $1 million, but the Republicans would rather limit tax deductions for people with those high incomes.

In angry tones, Mr. Sununu said Democrats "obviously would prefer not to accept an agreement which would solve the problem." He said that White House officials would be available to resume the talks, but only if the Democrats asked them to.

House-Senate negotiators met

See BUDGET, Page 4

Kiosk

Fed Aide Sees No Recession

ORLANDO, Florida (Reuters) — The governor of the Federal Reserve, David Mullins, said Sunday that he did not foresee a U.S. recession.

"There's no question that the economy has been deflected down by the oil price," he said, speaking at the American Bankers Association convention. But he added, "We've seen no evidence of a dive."

"We see the economy going along at a steady pace," he said. "We expect in the near-term future for that to continue." He added that the Fed would try to keep money and credit growing at a restrained pace.

General News

Not obscene, a rap music group's jury found. Page 3.
A former top official offers insights into the East German intelligence service. Page 6.
A bill passed by the U.S. Senate would tie airport fees to a national noise policy. Page 2.
A North Korean official sees few lessons in the reunification of Germany. Page 2.

Business/Finance

GATT talks are threatened by EC subsidy wrangling. Page 11.
Gasoline prices are soaring, oil firms' profits are not. Page 11.

Crossword Page 6.
Weather Page 2.

Soviet Disbelief Sets In After '70 Years of Myth'

By David Remnick
Washington Post Service

KARAGANDA, U.S.S.R. — Little more than a year ago, a young coal miner named Pyotr Schlegel led a strike here on the steppes of Kazakhstan that terrified the Kremlin, increased salaries and provided hope where once there had been none. Mr. Schlegel became a curious new character in the modern Soviet drama: a Western-style working-class hero.

Mr. Schlegel, 28, now heads both the standing strike committee and the regional miners union, a chapter of 120,000 workers.

Some here believe that Mr. Schlegel has more power now than the local Communist Party officials. He is certainly more popular. But like many of the "young democrats" across the Soviet Union — from the mayors of Moscow and Leningrad to the would-be entrepreneurs of the Pacific island of Sakhalin — Mr. Schlegel has discovered that he is nearly powerless against the economic collapse.

"The truth is that for all the gains we appeared to make during the strike in July 1989, life now is a lot worse," Mr. Schlegel said during a drive through some of the grim mining towns around Karaganda. "Now that the state stores are completely empty, the only way to buy things is on the private market, or even on the black market. And that costs a lot more than anything we ever got in raises."

At the biggest state grocery store in Shakhtinsk, a mining center of more than 100,000 people, the only goods available were sacks of rice and macaroni, jars of watery fruit juice and a huge wire basket of rotten apples.

"Oh, it's a happy, happy life," Mr. Schlegel said with a pained smile.

A gray, smoldering mass of rust and poured concrete, smokestacks and fetid sinkholes, the city is a joyless, ashen landscape of heavy industry. Karaganda is a model for what Mr. Schlegel calls "the whole, sick system."

"Our lives are falling apart," said Vladimir Smolenski, another member of the strike committee. Workers at the mines, factories and construction projects now find themselves with little or no fuel to fire their stoves and heat their homes; no fruit, vegetables or meat to feed their families.

Huge, ill-conceived construction projects such as the Karaganda airport sit half-finished for years for want of materials, corroding before they are ever used. And so, in a city of 675,000, people use a shed for arrivals and departures.

Nothing here seems to get done or cleaned or fixed. Deliveries never arrive. The crime rate is on the rise. The mines are unsafe — 50 workers die every year from accidents in the Karaganda pits.

Mention the debate over changes in Moscow and hopes for a renewed economy under a 500-day plan and you get a withering look.

At the Kostenko mine, the biggest in the area, miners said they had no confidence at all in their immediate futures. And what was worse, perhaps, they had no sense of how any single worker could make a difference.

"We have had 70 years of myths in this country, and now we have a new myth about '500 days' and all the rest," said Alexander Khailo, who has spent 18 of his 34 years shoveling coal in the Kostenko mines. "Would you believe it?"

Retirement-aged workers, many of whom suffer from various lung and heart ailments, find they must stay in the mines to support their families.

Khalid Khadiso, who is in his 50s, is eligible to collect a pension but said, "Nowadays no one can afford retirement.

See SOVIETS, Page 4

The Washington Post

North Korean Says Example of German Unity Doesn't Apply

Negotiations between North and South Korea ended in Pyongyang last week amid optimism that a third round of talks between prime ministers in December would lead to an agreement to reduce tensions. North Korea's senior foreign-policy adviser, Kim Yong Soun, who is vice president of the foreign affairs commission of the Supreme People's Assembly and international secretary of the party central committee, discussed the situation with Barry James of the International Herald Tribune in Paris.

Q. Clearly, talk of unification is in the air. You have just come from Berlin. Have you picked up any lessons there?

A. With us, it is not a question of unifying the two different systems existing in the North and South but of achieving national unity as a homogeneous nation. We consider that Korea should be reunited on the three principles of national unification, the program of reunification which was agreed both by the North and by the South as long ago as 1972.

The first principle is that of independence, and since this is an internal question of the Korean people we hold that the country should be unified without the interference of outside forces. Second we believe in peaceful reunification, in other words, the two sides should agree to unify though peaceful means and dialogue, and

MONDAY Q&A

not by having recourse to war. The third point is that reunification should be achieved by forming a great national unity.

Q. How do you propose bringing together such disparate systems?

A. The reasonable way to achieve national reunification on the three principles agreed on by both sides is to establish a "Democratic Confederal Republic of Koryo" in which systems would remain intact as they are and in which the two governments in the North and the South should be recognized as autonomous regional governments. Each side could then develop its own economy. Foreign capital investment in the South would remain as it is. This is a reasonable proposal which is quite different from the model of Germany. But creating the right conditions for peaceful unification makes it urgently necessary to reduce tensions.

Q. Why do you say it is urgent to reduce tensions?

A. Because it is impossible to have a dialogue when one side has a dagger in its hand. Each year, South Korean and U.S. forces hold an annual Team Spirit exercise with upwards of 200,000 troops. This runs counter to a spirit of dialogue, and therefore we urge the reduction of forces.

•

Q. How do you respond to reports that you have a million troops, many more than those of South Korea and the United States combined.

A. That statement is an excuse to keep U.S. troops in the South. Given our population, is it impossible for us to keep 1 million troops. The total population of Korea is 70 million, and the population of the North is only 20 million. The numerical strength of the army is decided by the size of the population. Besides, the United States has insisted on keeping its troops in the South in order to prevent the southward advance of the Soviet Union. But now the international situation has changed, we think it is the right time for the United States to withdraw its troops from the South and adopt measures to reduce tension.

•

Q. German unity came about partly because people could look across the wall and see that conditions were better and more free. Doesn't the danger exist for you that if you allow open contact, people in the North would become restive after coming into contact with a capitalist society?

A. No. It is different in Korea. We think socialism is a good thing. We have created a society where all people are the masters of society. In this way, Korean socialism is different from the socialism in the East European countries. Our people chose socialism and are determined to keep it, and that is why we are not afraid of free contact and travel between the North and the South.

People are talking about an opening — but it is our side which is proposing the opening. We believe that once or even before a confederated state is established, people would be able to travel freely and make their own choice about which system is better. And we have nothing to be afraid of in this regard. If the authorities in the South think that people in the North would be interested in the life in the South, why don't they open their borders?

•

Q. You have proposed becoming a joint member of the United Nations with South Korea. Why?

A. Because if the North and South enter the United Nations with two different seats it would mean the recognition of two Koreas.

Q. You are also seeking a dialogue with the United States. Why?

A. Because it is not normal to speak ill of us without meeting the country concerned, without having a proper dialogue.

Q. Are you referring to the U.S. allegation that you were engaged in international terrorism?

A. Yes. Socialists are opposed to terrorism. The killing of individual persons is not the solution problems. These allegations of the United States are made to isolate us.

Seoul Hopes China Trade Pact Will Lead to Diplomatic Ties

By Nicholas D. Kristof
New York Times Service

BEIJING — China and South Korea have agreed to exchange trade offices in a move that the Seoul government says it hopes will eventually lead to the establishment of diplomatic ties.

China has close relations with its hard-line Communist ally, North Korea, and Chinese maps still depict an undivided Korean Peninsula with its capital in the north.

But over the last few years, South Korea's stunning economic development has captured the interest of a growing number of Chinese officials and scholars, both because they would like to duplicate the growth and because they would like to attract Seoul investment.

The signing of the agreement here on Saturday will lead to the formal opening of representative offices before the end of this year in each capital. Formally, the offices will represent the China Council for the Promotion of International Trade and the Korea Trade Promotion Corp., but they are also empowered to issue visas and handle consular affairs.

Officially, Beijing's position is that although the offices are necessary to help spur the growing trade, they will not lead to an exchange of embassies. To reassure North Korean officials, the agreement was disclosed in a four-sentence dispatch by Xinhua News Agency, and no senior Chinese attended the ceremony.

"It is believed that this will promote nongovernmental trade and economic and technological cooperation between China and South Korea," the agency reported.

China and South Korea originally considered exchanging trade offices in 1988, but hard-liners in Beijing objected that any Seoul representative office should be allowed only in a coastal province, Shandong, rather than in the capital. The exchange was further delayed after the military crackdown in June 1989, when one of the architects of improved relations with Seoul — Bao Tong, secretary to the Politburo — was dismissed and arrested.

The rise of the hard-liners led to closer ties with North Korea, whose orthodox Communist president, Kim Il Sung, sought commitments from Chinese leaders that they would not go too far in building relations with Seoul. He is believed to have recently made a secret visit to China to ask Chinese leaders to delay any exchange in trade offices, but his appeal was apparently rejected.

In one of the most obvious signs of Chinese interest, the youngest son of Deng Xiaoping, China's paramount leader, paid a private visit to South Korea this spring to discuss the potential for economic ties.

In addition to a small amount of direct shipping between South Korea and Chinese ports, indirect trade through third countries exceeded $3.2 billion last year. That compares with trade with North Korea of less than $600 million each year.

South Korean companies in recent years have poured into China to look for investment opportunities, and some South Korean-financed joint ventures have begun manufacturing refrigerators, drugs and other products.

Conglomerates from South Korea also donated millions of dollars to Beijing for the Asian Games several weeks ago, and a few South Korean companies have opened offices in Beijing — normally using the names of subsidiaries registered in the United States.

Yet many South Korean executives complain that despite their investments, they still have been treated as second-class citizens. Since the crackdown, there appears to have been a cooling of enthusiasm to do business with China.

The South Korean president, Roh Tae Woo, is said to have set the establishment of diplomatic relations with China as a primary goal, particularly since the establishment of diplomatic relations with the Soviet Union on Sept. 30.

■ Soccer Teams Meet

North Korean soccer teams crossed into South Korea on Sunday for a return match with their southern rivals, Reuters reported from Panmunjom, North Korea.

Nearly 80 northerners, including the men's and women's teams, officials and reporters, crossed into South Korea at the heavily guarded border hamlet. They were greeted by about 200 South Koreans in traditional dress, waving plastic flowers and chanting, "The country is one."

The North Koreans will return Thursday.

The men's teams played their first match Oct. 11 under a deal struck in Beijing where both had been competing in the Asian Games. North Korea won, 2-1.

On Saturday, South Korea unexpectedly freed Moon Ik Hwan, 72, a Presbyterian pastor and dissident jailed for illegally visiting Pyongyang, in what was seen as a conciliatory move.

U.S. Senate Bill Ties Airport Fees to Noise Policy

By John H. Cushman Jr.
New York Times Service

WASHINGTON — The Senate has passed far-reaching legislation that couples new local fees on airline passengers to a new national policy on airport noise.

But the measure, a painstakingly devised compromise that makes other important changes in the financing and operation of airports and the air-traffic control system, faced uncertain prospects.

Representative James L. Oberstar, Democrat of Minnesota, chairman of a House subcommittee that wrote a different version, said he opposed the noise provisions of the Senate bill. Aides described the two sides as being "far apart," and time for further negotiations is limited.

Transportation Secretary Samuel K. Skinner said the Bush administration supported the Senate bill because a national noise policy and the fee on passengers were "central tenets" of its transportation policy.

As part of a comprehensive new policy on noise at the nation's airports, the Senate bill would require the administration to set a date for replacing thousands of existing jetliners with quieter ones.

At the same time, the legislation would limit the authority of local governments to impose rules governing airport noise.

The bill, passed Friday with virtually no debate, was part of the broad budget package that is being rushed through the Congress.

It would allow local airports to impose fees on passengers, raising the price of a round-trip ticket as much as $12 and creating an important source of money for local aviation projects.

The local fees would be separate from federal taxes on all airline tickets, which are likely to increase to 10 percent from 8 percent if the budget package is approved.

The airport fees have been pushed by the administration as a way to increase the money available for airport expansion, without increasing federal spending.

But the bill would permit the fees to be imposed only after a national aviation noise policy is adopted, which must be done by next October. It also sets other conditions on the fees, including requirements for substantial increases in some types of federal spending on aviation.

The airlines called the package adopted by the Senate "a fair and balanced compromise" and urged Congress to accept the package without modifications. The airlines have generally opposed taxes on passengers, but they have long sought a national noise policy.

The House version does not address the noise question. Mr. Oberstar's subcommittee recently began hearings on airport noise, but it wants to delay legislation on the matter until next year.

The Senate bill would also expand opportunities for new airlines to provide service at La Guardia Airport in New York and National Airport in Washington, where landing rights have been strictly controlled by the federal government.

Joel McCrea, Movie Hero, Dies at 84

By Peter B. Flint
New York Times Service

Joel McCrea, a tall, trim, ruggedly handsome actor who radiated a casual but dependable, amiable image in 80 movies, many of them westerns, died on Saturday from pulmonary complications at the Motion Picture and Television Fund Hospital, in Woodland Hills, California. He was 84.

The actor, who spoke with a resonant twang, gave his most compelling performances in the early 1940s. He played the title role in Alfred Hitchcock's thriller "Foreign Correspondent" and a naive film director seeking out serious issues in Preston Sturges's "Sullivan's Travels." He was a visitor in need of housing in wartime Washington in George Stevens's "The More the Merrier," the flamboyant protagonist of William A. Wellman's "Buffalo Bill," and the courageous inventor of anesthesia in Sturges's "Great Moment."

Other major performances were in "These Three," a 1936 triangle centered on malicious gossip; "Come and Get It," a freewheeling 1936 tale about lumber camps; "Interns Can't Take Money," a 1937 hospital melodrama in which he introduced the young Dr. Kildare; two western epics, "Wells Fargo" (1937) and "Union Pacific" (1939), and "The Palm Beach Story," a 1942 screwball comedy.

Mr. McCrea appeared in 38 movies in the 1930s, smoothly alternating among action-adventure films, melodramas, dramas, romances, and comedies. The films included "The Lost Squadron" (1932), "The Most Dangerous Game" (1932), "Private Worlds" (1935), "Barbary Coast" (1935), "Dead End" (1937) and "They Shall Have Music" (1939). Later movies included "Primrose Path" (1940), "Reaching for the Sun" (1941) and "The Unseen" (1945).

After World War II, he settled into western roles in such movies as "The Virginian" (1946), "Four Faces West" (1948), "Colorado Territory" (1949), "Stars in My Crown" (1950) and "Ride the High Country" (1962). In the last, a low-budget classic directed by Sam Peckinpah, Mr. McCrea and Randolph Scott were teamed winningly as a pair of leathery, graying cowpokes.

■ *Other deaths:*

Colette Audry, 84, the French novelist, screenwriter and critic who won the 1962 Prix Médicis for her autobiographical novel "Behind the Bathtub," Saturday in Issy-les-Moulineaux east of Paris. No cause of death was given.

Alexander E. Barkan, 81, a retired political director of the American Federation of Labor and Congress of Industrial Organizations, Thursday of lung cancer in Washington.

Paul Seabury, 67, authority on U.S. national security issues, political science professor at the University of California at Berkeley and member during the Reagan presidency of the Foreign Intelligence Advisory Board, Wednesday of kidney failure in Pinole, California.

Fred Hartley, 73, the man who led Unocal Corp. from its beginnings as a local California oil company to multinational conglomerate status, Friday after a long illness, at his home in Palos Verdes Estates near Los Angeles.

AP

Joel McCrea, who had an amiable image and a resonant twang.

EDUCATIONAL DIRECTORY

UNITED KINGDOM

TASIS:
American Education
European Tradition
Switzerland . England . Greece

Challenging accredited US college-prep education for international students in search of success in the 1990's. Boarding/day, ages 4-19.
Anglo-American boarding program opens in Greece in September 1990.
Annual fees $12,000.

35 Years of American Education in Europe

TASIS Hellenic, Bxt 31, PO Box 51025, 14510 Kifissia-Athens, Greece
Tel (01) 808 1436 Fax (01) 801 8421; or
The American School in Switzerland, Ext 31, CH 6926 Montagnola
Tel (091)546471 Fax (091) 542364

SWITZERLAND

HOTEL & TOURISM MANAGEMENT STUDIES IN STRASBOURG
1 Year Certificate
2 Year Diploma
Tuition in English
Admission: September & January
mdi MANAGEMENT DEVELOPMENT INSTITUTE
MDI · 61 ALLEE DE LA ROBERTSAU 67000 STRASBOURG, FRANCE
TELEPHONE 88 25 79 21 · FAX 88 37 33 15
MDI · BAARERSTRASSE 43 · 6300 ZUG · SWITZERLAND
Fax 221532 · Telex 862 656

FRANCE

FRENCH 66 IN PROVENCE
and FRENCH, DUTCH or SPANISH 66 in the ARDENNES
The advantages of the «CERAN 66» concept, with residential courses :
1. Intensive study (Minimum 38 lessons per week).
2. Plus the constant practice of what you have learnt, every day from 8 a.m. to 10 p.m., with teachers constantly present at mealtimes, breaks and in the evenings.
3. A total of 66 hours per week of full immersion in the language.
Ceran is a top class school for leaders in business management and government. Our client since 1975 include Alcatel, AT & T, Canon, Deutsche Bank, Dow Corning, European Parliament, German Foreign Office, Honeywell, Lufthansa, McKinsey, Mercedes-Benz, NATO, Philips, SHAPE, Siemens, Toyota, Winterthur, etc.
We also run holiday courses in French for young people (13-16).
CERAN 66
Language courses for motivated people.
CERAN LANGUES PROVENCE B.P. 276284 F-30130 PONT-SAINT-ESPRIT FRANCE - Tel. (+33) 66 90 33 66 Fax (+33) 66 90 33 69
CERAN ARDENNES 264, avenue du Château - B-4880 SPA BELGIUM - Tel. (+32) 87/87 71 84 Fax (+32)87/77 36 29 Telex 49650 céran b
in U.S.A. : Languagency - Tel. (203) 257-1699 - Fax (203) 284-1827

Visiting New York City?
Gramercy Park Hotel
Distinguished 500 room hotel overlooking Gramercy Park. Excellent Restaurant, Cocktail Lounge, Piano Bar and Room Service. Multi-lingual staff. Minutes to Business Center, Sightseeing, Banquet/Meeting facilities.
Singles $125-$135
Doubles $130-$140
Suites $160 + up
Group Rates Available.
Call Gen. Mgr. Tom O'Brien
Fax 212-505-0535
Telex 668-755
(212) 475-4320
21st St. and Lex. Ave. N.Y.C.
or call your local Utell office.

Don't miss our
NEXT SPECIAL INTERNATIONAL EDUCATION DIRECTORY
which will be published on
Dec. 8, 1990

MBA and BS degrees in International Management
BA degree in International Relations
APPLICATION/INFORMATION
AMERICAN UNIVERSITY
131, avenue de Lodève
34080 MONTPELLIER/FRANCE
TEL.: 67 75 75 00 - FAX: 67 75 78 12
All courses are in English
Also intensive training in European languages

NEW TIMES
SOVIET VIEW OF WORLD EVENTS THROUGH "NEW TIMES" WEEKLY
- "New Times" is published in the USSR in Russian, English, French, German, Spanish, Italian and Portuguese.
- Annual subscription price - US$34.10.
- Subscriptions are accepted by:
Collet's Holdings Ltd. Denington Estate Wellingborough Northants NN8 2QT, England
Librairie du Globe 2, Rue de Buci 75006 Paris, France
Kubon & Sagner Buchexport-Import GmbH Postfach 340108 D8 München, BRD
MEZHDUNARODNAYA KNIGA

IDSIGHT GUIDES
Spain

WORLD BRIEFS

Russians Form Anti-Gorbachev Bloc

MOSCOW (AP) — More than 30 Russian groups united Sunday to form the nation's largest political bloc opposing the Communist Party, and the new movement demanded that Kremlin leaders resign. The new bloc's chances of becoming a unified political force were uncertain, however.

National legislators and key officials of the Russian Republic attended the two-day founding conference of the Democratic Russia Movement. But the conference glossed over sharply divergent views among the republic's various groups and gave them the right to pull out of the movement.

The new movement joins Christian Democrats with labor unions, scholars with peasants and Red Army officers with disabled veterans. They united around a broad platform that called for Russian sovereignty as well as the resignation of President Mikhail S. Gorbachev and his prime minister, Nikolai I. Ryzhkov.

Britain Orders Police Report on Riot

LONDON (Reuters) — The British government ordered the police on Sunday to prepare a full report on how a peaceful protest against a new local tax had turned into a riot for the second time this year. Twelve people were injured and 120 were arrested Saturday night in Brixton, South London.

Despite a heavy police presence, violence erupted when about 2,000 protesters broke away from a peaceful rally and headed for Brixton Jail, where some of the more than 500 people arrested in a previous poll-tax riot in March are being held. The police denied charges that they had provoked the trouble Saturday and said anarchists bent on violence had pelted officers with bottles, bricks and other missiles.

The poll tax was introduced by Prime Minister Margaret Thatcher on April 1 to replace a system of property levies as a way of financing local services.

Japan Fends Off a Taiwan 'Invasion'

TAIPEI (Reuters) — Japan blocked a group of Taiwan athletes and sports officials on Sunday from planting an Olympic torch as a symbol of Taipei's sovereignty on a deserted group of islands about 120 miles (200 kilometers) north of Taiwan that are the subject of a territorial dispute between Taipei, Tokyo and Beijing.

A Taiwan sports official said 11 Japanese ships stopped two small boats from landing at the islands, called Diaoyutai in Chinese and Senkaku in Japanese. The trip was not officially sanctioned by the Nationalist Chinese government in Taipei.

"There were 11 ships that came and surrounded our boat," said Huang Hsiao-yan, spokesman for the Taiwan Area Games Committee. "They completely restricted its freedom of movement." After a five-hour standoff, organizers decided to sail back to Taiwan, state radio said. A Taipei spokesman said the government would "deal appropriately" with the situation, but did not give details.

Monks Forced to End Burma Boycott

RANGOON (AP) — The military government empowered army commanders Sunday to pass death sentences on rebellious Buddhist monks, and the clergy bowed to an ultimatum to stop refusing to minister to soldiers, official reports said.

The state radio said that 29 monks held a formal ceremony Sunday at an ordination hall in Mandalay to end the boycott and that nearly 200 others in Rangoon, the capital, also complied. The monks began refusing to perform religious services for soldiers or members of their families after at least two monks were shot during an anti-government demonstration in August.

The official radio broadcast a decree by the prime minister, General Saw Maung, giving army commanders the power to bring monks before military tribunals for activities deemed disruptive to Buddhism. Sentences imposed by such tribunals range from a minimum of three years in prison to the death penalty.

Rwanda Cease-Fire Reported Near

BRUSSELS (Reuters) — Belgium, trying to end a civil war in its former African colony of Rwanda, said Sunday that rebels there were ready for a cease-fire as a prelude to negotiations if government forces also agreed to stop shooting.

In its first official statement on deaths, Belgium said about 225 had been killed in clashes. Other reports have put the death toll at more than 300. Some 600 Belgian paratroopers are protecting Belgian aid workers in Rwanda.

Foreign Minister Mark Eyskens said he had received a message from rebels late on Saturday saying they were ready for a cease-fire. The rebels are composed largely of refugees living in Uganda, most of whom belong to Rwanda's minority Tutsi tribe, which lost power to the majority Hutus in a rebellion in 1959, three years before independence.

Greek Conservatives Hold Salonika

ATHENS (Reuters) — Greece's governing conservatives retained power in Salonika, the country's second largest city, in run-off local elections on Sunday, and a spokesman said this indicated clear public support for their austerity policy.

Dimos Kosmopoulos won 50.9 percent of the Salonika vote while a leftist candidate, Dimitris Fatouros, won 49.01 percent. Last Sunday a conservative candidate thwarted the socialist actress Melina Mercouri in her bid to be mayor of Athens.

Prime Minister Constantine Mitsotakis hailed the results as confirmation of confidence in his government. Since coming to power in April, the conservatives adopted a three-year economic stabilization and development program aimed at raising revenues and cutting spending.

TRAVEL UPDATE

Automatic cash distributors in Paris and other French cities ran out of money over the weekend because of a strike by bank security van drivers. The 6,000 drivers and guards stopped carrying cash to and from banks after a driver was shot and killed in a hold-up in Lyon on Oct. 9. They are demanding higher salaries and improved security. *(Reuters)*

The number of taxis in Havana has been halved to 2,000 as a fuel-saving measure, the Communist Party newspaper Granma said. *(Reuters)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Honduras, Hungary, New Zealand, Somalia, Vatican City.
TUESDAY: Hungary, Thailand.
WEDNESDAY: Haiti, Zambia.
THURSDAY: Grenada, Taiwan.
FRIDAY: Austria, Benin, Hong Kong, Macao, Rwanda.
SATURDAY: Morocco, Zaire.
SUNDAY: Greece.

Source: J.P. Morgan, Reuters.

WEATHER

	HIGH C	HIGH F	LOW C	LOW F	
EUROPE					
Amsterdam	17	63	9	48	c
Athens	25	77	20	68	c
Barcelona	22	72	12	54	c
Belgrade	22	72	14	57	c
Berlin	13	55	3	37	c
Brussels	15	59	10	50	r
Budapest	15	59	10	50	r
Copenhagen	8	46	3	37	r
Costa Del Sol	22	72	17	63	c
Dublin	14	57	13	55	r
Edinburgh	14	57	12	54	r
Faro	—	—	—	—	sn
Florence	22	72	17	63	c
Frankfurt	16	61	10	50	c
Geneva	16	61	12	54	c
Helsinki	2	36	0	32	sn
Las Palmas	26	77	20	68	sh
Lisbon	—	—	—	—	sh
London	15	59	10	50	c
Luxembourg	15	59	9	48	c
Madrid	20	68	11	52	c
Milan	18	64	11	52	r
Moscow	10	50	4	39	r
Munich	11	52	4	39	c
Nice	21	70	14	57	c
Oslo	7	45	1	34	r
Paris	17	63	11	52	c
Prague	14	57	5	41	r
Reykjavik	9	48	5	41	r
Rome	21	70	16	61	c
Stockholm	7	45	2	36	r
Strasbourg	16	61	10	50	c
Vienna	19	66	14	57	r
Warsaw	16	61	7	45	c
Zurich	13	55	11	52	c
MIDDLE EAST					
Cairo	29	84	18	64	s
Istanbul	19	66	14	57	r
Muscat	—	—	—	—	s
Riyadh	37	97	20	68	s
Tel Aviv	29	84	20	68	s
OCEANIA					
Auckland	—	—	—	—	sh
Sydney	20	68	13	55	sh

	HIGH C	HIGH F	LOW C	LOW F	
ASIA					
Bangkok	32	90	24	75	st
Beijing	21	70	10	50	s
Hong Kong	28	82	24	75	s
Manila	31	88	24	77	s
New Delhi	—	—	—	—	sh
Seoul	23	73	9	48	s
Shanghai	23	73	17	63	s
Singapore	30	86	25	77	st
Taipei	29	84	23	73	s
Tokyo	22	72	15	59	s
AFRICA					
Algiers	25	77	12	54	s
Cape Town	20	68	11	52	s
Casablanca	22	72	12	54	s
Harare	28	82	16	61	s
Lagos	28	82	24	75	t
Nairobi	26	79	14	57	t
Tunis	28	82	17	63	s
LATIN AMERICA					
Buenos Aires	25	77	13	55	s
Lima	28	82	20	68	s
Mexico City	26	79	13	55	s
Rio de Janeiro	28	82	21	70	s
NORTH AMERICA					
Anchorage	—	—	—	—	sn
Atlanta	23	73	11	52	s
Boston	15	59	7	45	s
Chicago	15	59	7	45	s
Denver	17	63	5	41	s
Detroit	17	63	6	43	s
Honolulu	30	86	24	75	s
Houston	28	82	20	68	s
Los Angeles	28	82	15	59	s
Miami	32	90	25	77	s
Minneapolis	12	54	0	32	s
Montreal	21	70	9	48	s
Nassau	32	90	24	75	s
New York	19	66	13	55	s
Phoenix	32	90	21	70	s
San Francisco	19	66	11	52	s
Seattle	13	55	7	45	sh
Toronto	19	66	10	50	s
Washington	21	70	14	57	s

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Fair. Temp. 13 — 4 (55 — 39). LONDON: Cloudy. Temp. 14 — 9 (57 — 48). MADRID: Rain. Temps. 15 — 9 (59 — 48). NEW YORK: Not available. PARIS: Fair. Temps. 16 — 9 (61 — 48). ROME: Rain. Temps. 22 — 14 (72 — 57). TEL AVIV: Not available. ZURICH: Fair. Temps. 13 — 4 (55 — 39). BANGKOK: Showers. Temps. 32 — 25 (90 — 77). HONG KONG: Cloudy. Temps. 27 — 24 (81 — 75). MANILA: Cloudy. Temps. 29 — 22 (84 — 72). SEOUL: Partly cloudy. Temps. 22 — 10 (72 — 50). SINGAPORE: Showers. Temps. 31 — 25 (88 — 77). TOKYO: Cloudy. Temps. 20 — 14 (68 — 57).

حكذا من الأصل

Reuters

Luther (Luke) Campbell, right, of the 2 Live Crew rap band as he heard the not-guilty verdict delivered in a Fort Lauderdale courtroom.

Not Obscene, 2 Live Crew's Jury Finds

By Laura Parker
Washington Post Service

FORT LAUDERDALE, Florida — The rap band 2 Live Crew has been acquitted of an obscenity charge by jurors who said they regarded the rappers' nasty lyrics as art.

The jury, four women and two men, deliberated for two hours before returning a verdict. Later, they said at a news conference that they also regarded the lyrics as comedy — but certainly not obscene.

"In this day and age," said Beverly Resnick, 65, a retired hospital worker who dates her musical taste to the era of the jitterbug, "this is the vernacular of the youth. The fact a black group did it — well, that is the way they talk."

The defendants, Luther (Luke) Campbell, Mark Ross and Christopher Wongwon, faced a maximum of a year in jail and a $1,000 fine.

The trial drew national attention because of its potential implications for freedom of speech. It followed the conviction, under local obscenity laws, of a Fort Lauderdale record store owner for having sold the group's album, "As Nasty as They Wanna Be."

In Cincinnati earlier this month, a museum director was acquitted of obscenity charges for having exhibited several sexually explicit photographs by the artist Robert Mapplethorpe.

The three rappers were charged with staging an obscene performance at a nightclub in Hollywood, Florida, in June.

In their 45-minute show, which was for adults only, the group performed sexually explicit lyrics while dancing on a stage before a raucous crowd. The lyrics depict oral and anal sex in graphic terms.

Trish Heimers, speaking on behalf of the Recording Industry Association of America, applauded the verdict, which was announced Saturday.

"Clearly this judgment should serve as notice to others trying to find music obscene that Americans believe very strongly in our First Amendment rights," she said, adding, "Whether they find it vulgar or obnoxious or lewd still does not mean that it is criminally obscene."

The jury had only one black member, Gertrude McLamore, a retired cook. Several of the other jurors said they wanted to buy the 2 Live Crew's album.

Susan Van Hemert, a school guidance counselor who was one of the jurors, said she might go to one of the group's shows. "We took the whole thing as comedy," she said.

A Calmer Approach to Abortion Politics

By Robin Toner
New York Times Service

WASHINGTON — A year ago, the abortion issue roared across the U.S. political landscape like a rough midsummer storm.

After the Supreme Court gave states new latitude to restrict abortion, candidates reeled and panicked over the issue, elections seemed to turn on it and both parties scrambled to adjust to the suddenly awakening power of the abortion rights movement.

Today, in the midterm elections of 1990, the politics of abortion looks more complicated, more subtle and, at a time of crisis in the Gulf and economic turmoil at home, less dominant than it did in the autumn of 1989.

This is not to diminish the political impact of Webster v. Reproductive Health Services, the court's decision in July 1989, which galvanized the abortion rights movement. Abortion is a central issue in many elections this autumn, from the race for governor in Florida to the race for senator in Iowa. Support for abortion rights is now widely considered a net advantage for a candidate; it was often considered a liability in the pre-Webster era.

> **'There's a lot going on in our economy and in our world to take people's minds off abortion.'**
> **Shelly Bain, abortion rights advocate**

"Am I more prone to talking about being pro-choice this year than I was six years ago?" asked Senator Tom Harkin, Democrat of Iowa, an abortion rights supporter who was dogged by abortion protesters in his 1984 campaign. "Absolutely."

Mr. Harkin, who is in one of the most competitive Senate races this year, is running many advertisements on radio stations across Iowa that contrast his abortion stance with that of his opponent, Representative Thomas J. Tauke.

In North Carolina, Harvey Gantt, a Democrat, has been highlighting his support for abortion rights in his challenge to Senator Jesse Helms. And in Florida, the Democratic gubernatorial candidate, Lawton Chiles, has recently begun to contrast his stance with that of Governor Bob Martinez, a Republican.

Some Democratic strategists argue that support for abortion rights could make the winning difference in several close races this year.

Still, a variety of analysts and politicians agree that such support is not the magical "silver bullet" it seemed to some in 1989, when the Democrat L. Douglas Wilder of Virginia built his successful campaign for governor around it.

Even Kate Michelman, the executive director of the National Abortion Rights Action League, said: "Right after Webster, it was the issue that was moving politics. Now it's become part of a global political framework."

Part of this, perhaps, reflects a diminished sense of threat among people who support legal abortion. The wholesale changes in state abortion laws that were widely predicted after the Webster decision have yet to materialize.

"The focus has shifted," said Linda DiVall, a Republican poll taker working for candidates on both sides of the issue. "The world hasn't changed overnight, and women aren't being imprisoned for talking about this."

And this year, unlike last, the abortion issue is competing with those of war and recession.

Shelly Bain, executive director of the abortion rights league in Iowa, said: "There's a lot going on in our economy and in our world to take people's minds off abortion."

The politics of abortion is also becoming more complex, more nuanced. In 1990, the issue seems much less partisan than it did in 1989, when Democratic supporters of abortion rights squared off in Virginia and New Jersey against Republican abortion foes.

This year, to the relief of many Republicans, a combination of serendipity and strategy has blurred party lines.

First, the serendipity: Some of the highest-profile races this autumn involve Republicans who support abortion rights, including Senator Pete Wilson, in the California governor's race, and Jim Edgar, in the Illinois governor's race.

The governor's race in Kansas pits Joan Finney, a Democrat who opposes abortion, against Governor Mike Hayden, a Republican who supports abortion rights.

Similarly, in Pennsylvania, Governor Robert P. Casey, a Democrat who opposes abortion, is fighting Barbara Hafer, a Republican who backs abortion rights.

Republicans have tried to highlight this diversity since the '89 elections. Lee Atwater, the national Republican chairman, depicts the party as "a big tent" with room for differing views on abortion. This is a very different message from the one sent by the party in its 1988 platform, which is against abortion and committed to overturning Roe v. Wade, the 1973 Supreme Court decision that legalized it.

The "big tent" doctrine has filtered down to the states, with varying degrees of grumbling on both sides. Democrats say the Republicans have only managed to postpone the moment when they must decide where the party truly stands.

According to the Democrats, Republicans might have finessed the 1990 midterm elections and the Supreme Court appointment of David H. Souter, who won confirmation without stating his views on Roe, but they cannot finesse the 1992 platform.

"I think probably the best political fight in America will be how the Republicans deal with their platform on this issue in 1992," said Harrison Hickman, a Democratic poll taker who works for the abortion rights league.

AMERICAN TOPICS

Political Ads on TV Now Aim at Realism

Political commercials on American television are increasingly trying to portray the candidates as real people. Negative messages about opponents are often included, continuing a trend of the 1980s. But "wedged between the 30-second sorties against an opponent's integrity," The New York Times reports, "are down-home language, documentary footage and soulful candidates addressing offscreen interviewers." All this is "intended to make politicians seem like the real thing."

James M. Dwinell, editor and publisher of Campaigns and Elections, a Washington trade magazine for political consultants, says: "They're not doing ads where all the candidate does is throw a jacket over his shoulder, walk by a stream and throw a stick to Fido. Today, there's a lot more realism and a lot more honesty in the spots."

Dianne Feinstein, for example, who is running for governor of California, uses footage declaring her support for the death penalty to a chorus of boos at the 1988 Democratic National Convention.

Sometimes the "reality" is less than real. Jon Cisky, running for the Michigan Senate, shows grainy footage of joining the police in an arrest, but the raid is a re-enactment.

Three-quarter profiles, with the candidate talking to an offscreen interviewer, are now preferred to face-forward monologues. One advertising executive says, "When there's eye contact, it often feels as if they're trying to sell you something."

About People

"Vice presidents are there to be kicked around," **Dan Quayle** recently said philosophically. "Ever since John Adams, they've been kicked around. You become rather thick-skinned being vice president." Mr. Quayle has been traveling the country to campaign for Republican candidates, raising speculation that he will run for the presidency in 1996. "Look, I'm doing what's expected of me," he said. "Obviously it gives me a lot of flexibility down the road."

Representative Claudine Schneider, Republican of Rhode Island, is running for senator against the Democratic incumbent, **Claiborne Pell**, who is 71. Ms. Schneider, 43, said, "People say to me they saw Claiborne out campaigning, and they say, 'I didn't realize he was so out of it.'" A Pell spokesman said that Ms. Schneider "sees him daily" and thus "knows that's not true." He said she was becoming "desperate."

Paul Newman plays a 1930s Kansas lawyer in his forthcoming film "Mr. and Mrs. Bridge," and he has acquired a Jayhawk twang to go with the role. He wrote to Senator **Bob Dole**, Republican of Kansas, and although acknowledging that their politics differed, asked him to tape a few lines from "Romeo and Juliet," "Kansas style," since the script calls for him to read from that play. The senator obliged. Mr. Dole will be listed as "Shakespearean Tutor to Mr. Newman" in the film's credits.

Arthur Higbee

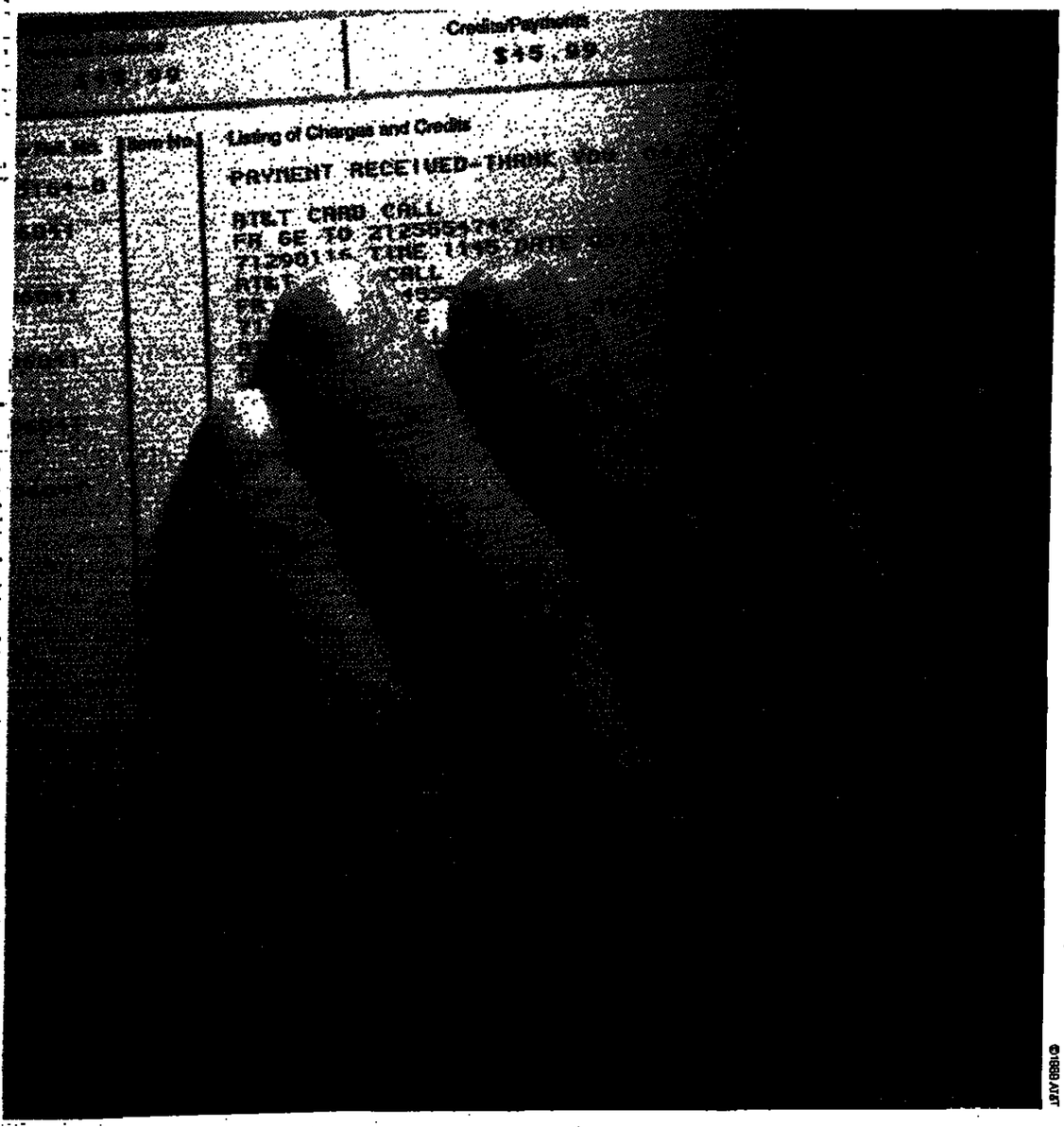
In Singapore where else but Shangri-La.

SHANGRI-LA INTERNATIONAL: AUSTRALIA (02) 221 4411 • BANGKOK (2) 236 7777 • FRANCE (5) 50 2627 • GERMANY (130) 4649 • HONG KONG 869 7782 • KUALA LUMPUR (03) 230 4268 • LONDON (01) 747 3480 • SINGAPORE 737 3644 • SWITZERLAND 046 05 63 33 • TOKYO (03) 447 7244 • USA & CANADA (1-800) 359 3220
SHANGRI-LA INTERNATIONAL HOTELS and RESORTS: CANADA • CHINA • FIJI • HONG KONG • INDONESIA • MALAYSIA • PHILIPPINES (PNG) • SINGAPORE • THAILAND

INTERNATIONAL Herald Tribune
Published With The New York Times and The Washington Post
Edited in Paris TUESDAY, JUNE 10, 1969 Printed in New York

HEADING FOR NORTH AMERICA?
You Can Now Receive Same-Day Delivery of The Global Newspaper in Key American Cities.
To subscribe call us toll-free in the U.S.:
1-800-882 2884.
(In New York, call: 212-752 3890.)
Or write: International Herald Tribune, 850 Third Ave., New York, N.Y. 10022.
Or Telex: 427175, Or Fax: 212-7558785.

Quick! Who did you call on the night of May 25th?



©1989 AT&T

If you're an American living abroad* and you need to keep track of your calls, you really ought to get the *AT&T Card*. First of all, you get a monthly itemized bill. A new option even lets you bill your *AT&T Card* calls to your American Express® Card account.** Or, you can choose to be billed to your VISA® or MasterCard®.***

In addition to itemized billing, the *AT&T Card* makes it easy to reach family, friends and business associates in the States. And, you can take advantage of *AT&T USADirect®* service, which gets you through to an *AT&T Operator* in seconds.

For an *AT&T Card* application, call us collect at **816 654-6004 Ext. 60,** or write to AT&T Card Operations, P.O. Box 419395, Kansas City, MO 64141-0434.

So if you want to know who you called, get the *AT&T Card*.

*Exclusively for U.S. citizens living abroad with valid U.S. passports and Social Security numbers.
**Billing will be in the same currency as your American Express statement.
***Must be issued by a U.S. bank.

The *AT&T Card* lets you keep track of your monthly calls to the States.

AT&T The right choice.

CIA Defector Says He Revisited West

By David Remnick
Washington Post Service

MOSCOW — Edward L. Howard, the first former CIA agent ever to defect to the Soviet Union, says that since his arrival here in 1986 he has visited the West "five to seven times."

Mr. Howard said in an interview that he had dodged Western intelligence services while traveling in France, Canada and Mexico. He also said he had visited Nicaragua, Cuba and Eastern Europe since asking for asylum at the Soviet Embassy in Budapest four years ago.

"I don't think any secret service can deal with multiple names, multiple passports," Mr. Howard said. Asked why he had traveled so extensively with the risk of capture, he replied: "For fun."

Mr. Howard said that the KGB had objected but that "it's my butt." He said his only relation with the KGB was that "they provide for my security."

Mr. Howard, who lives with two round-the-clock KGB guards at a huge, brick dacha outside Moscow, met alone with a reporter Saturday at the house and later at a German restaurant in the International Hotel in Moscow.

When called Sunday and asked just why he had decided to talk with the reporter, Mr. Howard said he was replying to a recent item in the "Whispers" column of the magazine U.S. News & World Report saying that he had been depressed and had committed suicide by slashing his throat. He said the Central Intelligence Agency had planted the item as a "deliberate plot to get me to surface."

In the shadow-world of foreign intelligence, secret services frequently use the press to send messages.

His claim could also be a way of embarrassing the CIA.

Mr. Howard had been intensively preparing for an assignment as an agent in the U.S. Embassy in Moscow in 1983 when the CIA suddenly forced him to resign after he failed a series of polygraph tests. Later, the agency said he had a history of alcohol and drug abuse.

In his training for Moscow in 1983, Mr. Howard was briefed extensively on the inner workings of the CIA station in the U.S. Embassy. The CIA has said that after he was forced out in 1983, he was enraged and began selling secrets to the KGB, the Soviet security agency, including the identities of key "assets" in Moscow who were eventually executed by the Soviets.

Despite heavy FBI surveillance, Mr. Howard used the skills he had learned in the CIA to escape from his home in Santa Fe, New Mexico, in September 1985.

Time and again in the interview, Mr. Howard said he had had no contact with the KGB until he defected in June 1986. He said that he had spent nine months on the run in Latin America, Canada and Europe and that finally "I just got run down."

"I said I needed a place to crash, a place just to put my life together again," he said.

Nancy Nighswander/The Associated Press

On Capitol Hill over the weekend, Democrats worked on the latest budget plan. From left: Representative Richard A. Gephardt of Missouri, Senators George J. Mitchell of Maine and Lloyd Bentsen of Texas, and Representative Dan Rostenkowski of Illinois.

BUDGET: *U.S. Budget Talks Stall on Method of Taxing the Rich*

(Continued from page 1)

privately Sunday to try reconciling their differing bills on how to cut the budget by $40 billion in the fiscal year that started Oct. 1 and by $500 billion over five years.

A bill agreed to by the House and the Senate must be sent to the White House for presidential signature or veto. Congress is under additional pressure to wind the battle up because of congressional elections looming Nov. 6.

The Senate Democratic leader, George J. Mitchell of Maine, had said earlier that he hoped there would be an agreement on the deficit-cutting plan by late Sunday. But he repeatedly criticized President George Bush, who has abandoned his "no-new-taxes" position, for objecting to increasing income taxes on those with an annual income of more than $200,000.

"The president's first plan would actually have reduced the tax burden on those making more than $200,000 and increased taxes on everyone else," Mr. Mitchell said in a television interview.

Speaking for the Democrats, he added: "We feel that those who earn over $200,000 should pay a fair share of the deficit-reduction burden. I don't understand why the president has been so opposed."

Democrats have repeatedly sounded the theme that the Republicans represent the rich, and the administration's offer was seen in Washington as an attempt to blunt that political war cry.

"There is some feeling that if we don't flatten the bubble, it will be right back again next year," said Senator Bob Dole of Kansas, the Republican leader, on Saturday. He referred to the anomaly that creates a top marginal tax rate of 33 percent for upper-middle-income Americans and of 28 percent for the richest.

The Republican proposal would have created a uniform top income-tax rate of 31 percent, which would have lowered the 33 percent rate on upper-middle-income earners and raised the 28 percent rate for Americans with the highest incomes.

The Republican plan also would have phased in limits on tax deductions, starting with people who have incomes of $85,000 a year, and reducing deductions the most for people with incomes of more than $1 million. In addition, the current 9-cent-a-gallon gasoline tax would have increased by less than the 9 to 12 cents proposed in a plan passed last week by the Senate.

The White House budget director, Richard G. Darman, confirmed that Mr. Bush had indicated to his negotiators that "in certain circumstances" he would consider a 31 percent tax rate.

The president, he said, would not "automatically" veto a tax bill raising the rates if the overall package was otherwise satisfactory.

Mr. Darman predicted that the package would "have predominantly spending cuts as its characteristic." He estimated that 70 percent of it would constitute spending cuts, although he said that "a lot of time" had been spent talking about taxes.

Although the administration "would very much like" to have had a reduction in capital-gains taxes, Mr. Darman continued, "it does not appear to me that that will be negotiable."

"It will have to wait for another day," he said.

Mahathir Coalition Wins a Big Majority In Malaysia Voting

Compiled by Our Staff From Dispatches

KUALA LUMPUR, Malaysia — Prime Minister Mahathir bin Mohamad's ruling coalition won a two-thirds majority in general elections on Sunday over a loose grouping of opposition parties.

In vote counts early Monday, Mr. Mahathir's National Front had won 121 seats in the 180-member lower house to 45 for the combined opposition. Four independents were elected.

"We can now form the government," said Mr. Mahathir, 64, who won his third election since becoming prime minister in 1981.

Because of the ruling coalition's entrenched power and patronage, anything less than a two-thirds majority in the parliament would have been regarded as a setback for Mr. Mahathir. The two-thirds majority is also required to win approval of constitutional amendments.

There were no major upsets in the results compiled so far. Most analysts said National Front candidates were firm favorites.

Mr. Mahathir's coalition of 10 largely ethnically based parties was competing against a grouping of six opposition parties.

The opposition alliance is also ethnically based. It is headed by a former trade and industry minister, Tunku Razaleigh Hamzah, who split with Mr. Mahathir in 1987.

Analysts described the short campaign since the election date was announced Oct. 5 as one of the angriest in Malaysia. Vote-seekers made use of volatile religious issues and threats of retaliation.

At stake in the election was control of the lower house in Parliament and 11 of the 13 state legislatures. Sabah and Sarawak hold separate state elections.

About 7.9 million Malaysians age 21 and older were eligible to vote.

Voting is not compulsory in the nation of 17.8 million, but there were long lines at polling stations Sunday.

No outdoor rallies or political processions have been permitted in Malaysia since racially based riots after the 1969 elections left hundreds dead in Kuala Lumpur. That bloodshed occurred after Chinese parties made inroads in Malay political dominance.

Muslims, mostly Malays, account for about 53 percent of the population. Chinese make up about 32 percent, with Indians and other races making up the balance.

Islam is the official religion, but the state government in Sabah is led by Christians. The biggest pre-election surprise was the defection by the Sabah United Party, which controls the state, from the National Front to the opposition.

Mr. Mahathir, a caustic and combative personality, has been campaigning hard for two months and shows no ill effects from a multiple bypass operation.

But many observers expect a third term to be his last, and a strong showing by Tunku Razaleigh, 53, a former finance minister, might put him in a good position to become the next prime minister.

Tunku Razaleigh might continue to try to mold his coalition of smaller parties into an alternative government. Or, conceivably, once Mr. Mahathir retires, he could rejoin the long-dominant Malay organization he left.

In 1987, Tunku Razaleigh challenged Mr. Mahathir for the leadership of the United Malays National Organization, the ruling coalition's main party. After losing narrowly, Tunku Razaleigh filed suit, calling for a new vote.

In the end, he was forced to break away, founding a rival party called Spirit of '46, after the year in which the United Malays National Organization was founded. He formed an alliance with the main Islamic, Chinese and Indian opposition parties, agreeing to field one candidate in most districts.

(AP, Reuters, NYT)

ISRAEL: *Arab Worker Stabs and Kills 3 in Jerusalem*

(Continued from page 1)

ground and wounding the boy, the worker rounded a corner and set upon the owner of a nursery who was carrying plants to a shop. He knocked him down and stabbed him repeatedly, witnesses said. Then, the police said, he rose to confront the police officer, a member of an anti-terrorist unit of the paramilitary Border Police who ran out of his home when he heard screams.

The police said the policeman fired a warning shot into the air from his 9mm pistol, then fired at the attacker's legs, wounding him in both of them. Nevertheless, the Arab managed to reach the policeman and stabbed him in the chest, the police said. He was then subdued by other local residents.

The deaths seemed to mark another of the vicious cycles of retaliatory violence that have plagued Jerusalem this year. In May, following the murder of seven Arab workers by an Israeli gunman in the suburbs of Tel Aviv, Arab assailants responded with a series of pipebombs in Jerusalem, including an explosion in the central market that killed one person and wounded nine. In August, the police blamed Arab nationalists for the abduction and slaying of two Jewish Jerusalem teenagers, sparking riots.

After those riots, Israeli authorities noted, the two largest Palestinian organizations in the occupied territories, the PLO's Fatah faction and the Islamic Resistance Movement, or Hamas, issued leaflets calling for attacks on Israelis with lethal weapons, such as knives and guns. In its leaflet, Hamas told supporters to "murder or kill any soldier or Jew," and named Sunday and Monday as dates for attacks, though it said these should be in the form of arson against Israeli forests and agricultural fields.

The police did not say whether the latest attacker was connected to a political organization or what his motives were.

But the slayings prompted new calls for harsh measures against Palestinians by Israeli politicians. Police Minister Ronni Milo said the Border Police officer should not have hesitated to shoot to kill the Arab attacker immediately, rather than aiming at his legs. Other politicians in the rightist government proposed that Palestinians from the occupied territories be banned from working inside Israel.

Following the killings, several hundred Israelis gathered in the Baka neighborhood, and some attacked Arabs still working at nearby construction sites. Eventually, a crowd of more than 100 men and women marched up toward two major nearby traffic arteries connecting West Jerusalem with Bethlehem, and began stoning Arab cars. The crowd broke windows in several cars and assaulted a number of persons.

SOVIETS: *Losing Heart*

(Continued from page 1)

You've seen the stores. You know what it takes now to just feed a family and survive. You begin forgetting about things like your health, let alone retirement. I remember World War II, and life even then was better than it is now."

When the miners' strikes broke out in July 1989 in Kazakhstan, Siberia and the Ukraine, President Mikhail S. Gorbachev tried to turn disaster to his advantage, claiming that the "revolution from above" had finally given rise to a "revolution from below."

Strike committees like Mr. Schlegel's went to war against the old trade union structures, which were traditionally little more than a layer of Communist Party bureaucrats protecting Kremlin interests.

For Mr. Schlegel, the first months were heady ones as the local party officials struggled to placate the miners.

He not only took command of the union and tried to turn it into an organization that defended the interests of the workers, but also scared the complacent souls who work at the one attractive building in town — the regional Communist Party headquarters.

These days, Mr. Schlegel and Mr. Smolenski spend much of their time commuting to Moscow, petitioning government ministers.

"Our biggest enemy is chaos, the lack of any system, any organization at all," Mr. Schlegel said. "How can anyone believe in radical reform in the meantime when not one presidential order is fulfilled?"

"We may not need an iron hand here but we need iron law," he said. "There is an expression here — *shalam balam*, meaning 'all screwed up.'

"Until Moscow finally decides it can create a new system and the law is the law, that is what we will be: shalam balam."

HAWK: *Iraqis Training*

(Continued from page 1)

them. Jordan possesses more than 100 Hawk missiles purchased from the United States.

The U.S. undersecretary of state for coordinating security programs, Reginald Bartholomew, testifying before the Senate Foreign Relations Committee on Oct. 4, said Jordan had assured the United States that such training was not happening. "We don't have any collateral information that would lead us to question those assurances," he said.

Another official, noting Iraqi proficiency with modern equipment purchased from the West, said that "it's not like the missiles were captured" by a technologically backward country.

One U.S. analyst speculated that Iraqi technicians could be trained by retired Jordanian military officials acting outside official channels, by Kuwaiti prisoners of war or by Palestinians formerly employed by the Kuwaiti military.

HEATH *An Iraqi Pledge*

(Continued from page 1)

itary assault if necessary and would not be obliged to seek further approval from the UN Security Council.

France, which maintains the second-largest Western force in the Gulf after the United States, has insisted that the Security Council sanction any offensive military action undertaken by the West against Iraq.

In London, Foreign Secretary Douglas Hurd said Sunday that making any concession to Mr. Hussein to withdraw from Kuwait would be "very dangerous for the future."

He said it was important that the alliance "holds firm" on an unconditional Iraqi withdrawal from Kuwait, restoration of its government and freeing of hostages.

"Anything which blurs that is clearly a mistake," he said.

(Reuters, AP, AFP, WP)

ACROSS

1 Bistros
5 Drop heavily
9 Cummerbund
13 Lend —— (listen)
15 Hawaiian city
16 Caesar's lover
17 Go on a spree
20 Rough calculation
21 Snarl
22 —— volente
23 M. Anderson's "High ——"
24 Farm animal
25 Swiss river
27 Annoying
31 Kind of punishment
35 Loser to D.D.E.
36 Stop suddenly
40 —— one's words (recant)
41 Writer like Agnes Repplier
42 Sticks
46 Composer Rorem
47 Negative conjunction
48 Witch bird
50 W.W. II Gen. Eaker
53 Ancient German
56 Rural
59 Gershwin musical: 1930
61 "I smell ——"
62 Food seasoning
63 Trace of color
64 Bank (on)
65 Playing card
66 One of a series of rows

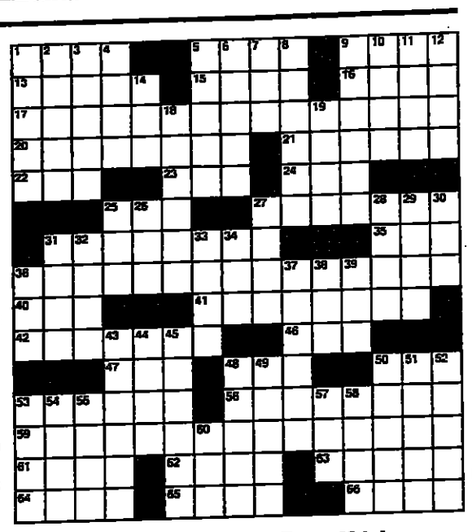
DOWN

1 —— Alaska (creamy dessert)
2 Cordial flavoring
3 Verso's opposite
4 Munro's pen name
5 Picture
6 Titanic, for one
7 Comic Olsen
8 Placard
9 Views
10 Hasn't —— to stand on
11 Peddle
12 Socks
14 Daiquiri base
18 Benefactor
19 Bird of prey
25 Limb
26 G.I.'s address
27 Seine sights
28 Hardwood trees
29 Join up with
30 Sigma
31 Attired
32 Solemn promise
33 Markings on an A.A.A. map
34 Cries of delight
36 —— of Galilee
37 Exile
38 Cereal grass
39 Succor
43 Discrete unit
44 Chess piece
45 "—— Goes to Camp"
48 Baldwin, e.g.
49 Spruce
50 Tabriz native
51 Cattle-grazing land
52 Tree of the birch family
53 Nicholas II, e.g.
54 To be, to Jacques
55 Russian river
57 Hanoi holiday
58 R.I.P. notice
60 Egypt, 1961-71: Abbr.

Solution to Friday's Puzzle

S	M	U	T		V	E	G	A		J	I	H	A	D
L	A	G	O		A	N	I	L		E	L	E	G	Y
O	S	L	O		M	A	L	A		K	O	I	N	E
P	H	I	L	I	P	C	A	R	E	Y		D	O	R
			V	E	T			A	L	L	E	N	S	
S	T	A	R	E	D		P	E	G	L	E	G		
H	A	R	E	S		V	I	V	E		A	G	R	A
E	A	R	P		B	I	T	E	R		S	E	A	R
A	L	O	E		A	N	O	N		M	E	R	L	E
		W	A	T	S	O	N		F	E	S	S	E	S
B	E	S	T	I	R			L	O	O				
E	L	M		M	A	R	C	U	S	W	E	L	B	Y
A	L	I	V	E		A	U	N	T		R	A	R	E
R	A	T	E	R		I	R	A	E		A	R	I	L
A	S	H	E	S		L	E	E	R		T	A	E	L

© *New York Times, edited by Eugene Maleska.*



SUBSCRIBE TODAY AT UP TO 50% SAVINGS!

Get better acquainted with the International Herald Tribune with our special introductory offer for new subscribers. As an added bonus, you'll receive up to 52 free issues for subscriptions of 6 months or more.

It's Quick. Just refer to the chart and call the appropriate telephone number for your country. Tell the operator you want to subscribe to the IHT and indicate the term you prefer. Pay by credit card, or request an invoice for 6 and 12-month subscriptions.

It's Easy. If you don't have time to call, just complete the coupon below to start your IHT subscription. Pay by check or credit card. It's never been easier. Don't delay — start your subscription to the IHT today — at up to 50% savings.

Country/Currency		TELEPHONE NUMBER	12 months (+52 issues)*	ONE-YEAR SAVINGS	6 months (+26 issues)**	3 months (+13 issues)***
Austria	A. Sch.	0222/6766.33465	5,100	3,272	2,800	1,500
—hand delivery Vienna	A. Sch.		5,400	2,972	3,000	1,600
Belgium	B.Fr.	02/2716004	11,000	7,200	6,000	3,200
Denmark	D.Kr.	00946/1.835643	3,100	1,288	1,700	930
Finland	F.M.	99946/1.835643	2,000	1,276	1,100	600
France	F.F.	05/437407	1,400	1,332	880	485
Germany (mail)	D.M.	069/72001	600	499	330	182
—*hand delivery*	D.M.		798	261	389	204
Great Britain	£	0800/700400	150	105	82	45
Greece (mail)	Dr.	01/81.29005	40,000	32,800	22,000	12,000
—*hand delivery Athens*	Dr.		50,000	22,800	28,000	15,000
Ireland	IPt.	— —	155	118	85	47
Italy	Lire	— —	459,000	350,000	250,000	138,000
Luxembourg	L.Fr.	352/3.2710004	11,000	7,200	6,000	3,200
Netherlands	fl.	055/212229	600	492	340	185
Norway (mail)	NKr.	00946/1.835643	2,500	1,888	1,400	770
—*hand delivery*	NKr.		3,080	1,348	1,680	980
Portugal	Esc.	0034/1.5951085	31,000	30,500	17,000	9,200
Spain (mail)	Pts.	91/5951085	25,000	25,000	19,200	10,600
—***hand deliv. Barcelona, Bilbao, Seville, Valencia	Pts.		38,000	22,000	20,900	11,500
—***hand deliv. Madrid	Pts.		51,480	—	25740	12,870
Sweden (airmail)	S.Kr.	08/835640	2200	1,440	1,200	665
—*hand delivery*	S.Kr.		2800	840	1,540	859
Switzerland	S.Fr.	049/085757	500	446	275	158
Rest of Europe, N. Africa, Rem.	$	— —	500	Varies by country	275	150
French Africa, Middle East	$	— —	450		355	195
Rest of Africa, Gulf States, Asia	$	— —	600		30	180
Central/Latin America	$	— —				

* For information concerning special hand-delivery in major German cities call IHT Germany at: (069) 69.48.92 or fax (069) 69.48.94. Rates do not include free issues.
** At these rates, you can get morning hand delivery in the following cities: Oslo, Stavanger, Stockholm, Goteborg and Malmo.
*** At these rates, hand delivery is available by morning in Barcelona, the same day in Seville and Valencia and the next day in Bilbao. For Madrid, hand-delivery is available by morning, but without the free issues.

International Herald Tribune

Yes, I want to start receiving the IHT.
This is the subscription term I prefer (check appropriate boxes):

☐ 12 Months (364 issues in all with 52 bonus issues).
☐ 6 Months (182 issues in all with 26 bonus issues).
☐ 3 Months (91 issues in all with 13 bonus issues).

☐ My check is enclosed (payable to the International Herald Tribune).
☐ Please charge my: ☐ American Express ☐ VISA ☐ Diners Club ☐ Access ☐ MasterCard ☐ Eurocard

CARD EXPIRY DATE _____ SIGNATURE _____
CARD ACCT. NO. _____
NAME _____
ADDRESS _____
CITY/CODE _____ COUNTRY _____
TEL./TELEX/FAX _____ 22-10-90

Return your completed coupon to: Subscription Manager, IHT, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.
This offer expires December 31, 1990, and is available to new subscribers only.

Dining Out

AMSTERDAM

HAESJE CLAES
Real Dutch Cooking. Open from lunch until midnight. Spuistraat 275. Tel.: 24 99 98. Reservations recommended. All major credit cards.

FLENSBURG

CHEZ PAUL
"Hotel of the North"
• German/Danish Border • B 200
• Delicious French cuisine in one of the best and charming restaurants in Northern Europe. Phone 0461 - 7020.

PARIS 1st

L'ALSACE AUX HALLES
Shellfish. Fish. Choucroutes. Day and night. 16, rue Coquillière. Tel.: 42.36.74.24.

CONALL CARR AUBERGE DE FRANCE
Bar - Restaurant - Warm Welcome French and Irish cooking. 1, rue du Mont Thabor. Tel.: 42.60.60.26.

PARIS 6th

YUGARAJ
Of all the Indian restaurants, this is by far the best & most authentic. (GAULT-MILLAU). Closed Monday. 14, rue Dauphine. Tel.: 43.26.44.91.

PARIS 7th

CHEZ LES ANGES
In the Michelin Guide. Burgundy Spec. Gastronomical cooking. Cl. on Sun. eve. 54, Bld. Latour-Maubourg. Tel.: 47.05.89.86.

THOUMIEUX
Specialties of the South-West. Confit de canard & cassoulet au confit de canard. Open everyday. 79 r. St.-Dominique. Tel.: (1) 47.05.49.75. Near Invalides Terminal.

LA PETITE CHAISE
Delicious cuisine at the oldest and most charming restaurant in Paris. Menu 160 FF daily. 36, rue de Grenelle. Tel. Res. 42 22 13 35.

PARIS 7th

LE TAGORE
The new Parisian Indian restaurant, Mughai specialties, surely one of the best among the foreign restaurants in France, two "Toques" in the Gault et Millau 1990. 25, Ave. du Maine. Tel.: 45.44.94.41.

PARIS 8th

KOK PING
On the Champs-Elysées. Gastronomical Chinese and Thai restaurant. Menu about 230 FF TTC. Closed Saturday/Sunday noon. 4, rue Balzac. Tel. Res. 42 25 28 85.

PARIS 15th

LE WESTERN
The only restaurant with specially imported beef from the U.S. Business lunch F.F. 210, wine included. Open daily. T.: 42.73.92.00. Paris Hilton, 18, Ave. de Suffren.

PARIS 17th

CHEZ FRED
Lyonnais bistro, traditional French cooking. Daily specialties. Closed Sundays, 190 bis, bld. Pereire, 75017 Paris. Tel.: 45.74.20.48.

LA COTE D'AMOUR
Dine in a refined setting, close to l'Etoile. Gastronomical menu, about 230 FF. Free parking opposite. 44, rue des Acacias. Tel.: 42.67.15.40.

PARIS 17th

PETRUS
Restaurant specializing in fish. Menu 240 FF TTC. Service until 11 p.m. every day. Valet service. 12, Place du Maréchal Juin. Tel.: Res. 43.80.15.95.

LE TERNES-PEREIRE
Close to Porte-Maillot and the Palais des Congrès. Restaurant/Brasserie, continual service from noon to midnight. Shellfish, fish-tank, open all year. 84 av. des Ternes, 75017 Paris. Tel.: 45.74.33.35.

ROME

DA MEO PATACCA
Trastevere. Rest. famous for fun food, music & folklore. 00153 Rome, Piazza de Mercanti 30. Tel.: 06-5816198, 5892193. Fax: 582552.

VIENNA

KERVANSARAY
Turkish & Int'l specialties, lobster bar, best seafood restaurant, 1st floor. Mahlerstr. 9. Tel.: 5128843. Air conditioned. 80 m. Opera. Noon-3 p.m. & 6 p.m.-1 a.m., except Sunday. Open holidays.

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
1841 Broadway, Ste 1000, NYC 10023
212-765-7896
MAJOR CREDIT CARDS AND CHECKS ACCEPTED

V.I.P.
DISCREET ESCORT SERVICE
7 DAYS 24 HOURS. CARDS ACC.
LONDON (071) 224 6429

AT YOUR SERVICE
VIP ESCORT AGENCY LONDON
All Credit Cards Welcome
581 2811, 9AM-MIDNIGHT

MERCEDES
V.I.P ESCORT AGENCY
9 AM TILL MIDNIGHT - 7 DAYS
MAJOR CREDIT CARDS ACCEPTED
TEL: LONDON (071) 351 6666

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

ESCORTS & GUIDES

THE ZOE PARTNERSHIP
presents • ELEGANCE •
Europe's most sophisticated Escort Agency
LONDON 071 221 8453
Credit Cards Welcome

MADRID SHADOWS
Escort Service
Telephone: 341-262.99.93

CROWN CLUB LTD
NEW YORK ESCORT SERVICE
(212) 688-2271

IMPRESSIONS FOR YOU
The Most Exclusive Escort Service in NY
NYC Tel: (212) 734-9641

ZURICH
DIANA (01) 271 38 55
Individual Escort Service.

••ZURICH••
Caroline Escort Service 01/252 6174

DUSSELDORF
Chantal's Escort Service
Tel: 0211 - 49 30 66 / 49 35 40

ESCORTS & GUIDES

ZURICH SUSAN
ESCORT SERVICE. Tel: 01/382 05 80

CHELSEA ESCORT SERVICE
51 Beauchamp Place, London SW3.
Tel: 01-584 6513 Established 18 years.

• KINGS INTERNATIONAL •
Top Escorts London 071-624-3191

••ZURICH••
Top Escort Service. Tel: 01/3227609

GENEVA • MELODIE
ESCORT SERVICE. Tel 022/46 11 58

- NEW TOP LUXURY ELITE ESCORT -
FRENCH, ITALIAN, SWEDISH
UPPER CLASS VIP MODEL SERVICE
LONDON & travels 071 581 2089.

GENEVA "LOVE"
Escort Service. 022 / 21 99 61

ZURICH AMANDA AGENCY
Guide Service. Tel: ZURICH 383.08.55

• ZURICH • ISABEL •
Escort Service. 01/241 87 67

ESCORTS & GUIDES

ZURICH
ESCORT SERVICE Tel: 01/ 202 05 80

TOKYO ••• TOP ESCORT SERVICE
Major credit cards accepted. Tel: (03) 436-4598.

STOCKHOLM ESCORT SERVICE
Please call (46) 8 817607
Open 24 hours

•••• TOKYO VIP PRIVATE ••••
•••••••• Escort Service ••••••••
Tel: (03) 582 - 7123

MILAN & LUGANO EXCLUSIVE ••••
Multilingual Escort Service. Tel: (39-2) 58305713.

• LONDON & PARIS LINK •••••
First class ladies exclusive VIP French Escort Service London: (071) 351-1152

AMSTERDAM LIBERTY ESCORT
Top Class Service. Tel: 31.20-180604. Credit Cards accepted

ORIENT JAPANESE CHINESE THAI
Escort service. Days and evenings. Please phone 071 225 3314 London.

- ZURICH - DOMINA LADY JANE
Escort Service ••• Credit cards.
Tel: 01 / 252 73 57.

MADRID IMPACT ESCORT and Guide Service. Multilingual. Visa. Open 11am - midnight. Tel: 261 4142

NEW IN BRUSSELS ! BACCARA !!
First class Travel and Escort Service for executives. Tel: 02/374.99.06

LONDON PARIS CONNECTION
ESCORTS TRAVELLING SERVICE
071 259 5408 All credit cards.

LONDON - PRIVATE
GLAMOROUS ESCORT SERVICE
071 581 0199.

LONDON - PARIS UNION
French Escort Agency, 24 hours a day, 7 days a week. London 071 3960214.

ESCORTS & GUIDES

VIENNA ELITE Escort and Guide Service, all Austria. Tel: 713 15 80. Fax: 713 81 72.

•••GENEVA-ROYAL-GENEVA•••
•• VIP-ESCORT-SERVICE ••
OPEN 7 DAYS. Tel: 022/781.27.72.

FRANKFURT / DIETZENBACH
Chantal + Angela Escort Service. Tel: 06074-3643/43512.

AMSTERDAM BERNADETTE ESCORT
Service. Number One. Telephone: 34 27 82

BARBADOS, JAMAICA, Virgin Islands. Caribbean Escort service in London 071 225 0869/0860 870 484.

• • • MUNICH • • • 91 23 14
ESCORT & GUIDE AGENCY.
THE FRIENDLY SERVICE.

FRANKFURT • NEW • PRIVATE •
Most sophisticated Escort Service.
Tel: 069 - 497401. Credit cards.

BLACK LACE
V.I.P. ESCORT SERVICE
LONDON 071 724 3657.

••••••MUNICH 98 24 83••••••
Lorraine High Class Escort Service

•• ZURICH • BERN • BASEL ••
Escorts - All Credit Cards - 7 days. Call Netherlands: 0031-2975 40717

ZURICH NEW
High class Escort Service.
Tel: 077 / 63 83 32.

DUESSELDORF - COLOGNE + AREA
First Class Escort Service. Tel: 0211/ 3982764 or 0161/721.4379

FRANKFURT - WIESBADEN
New "Test the Best" New Escort Service. Tel: 069/5976666.

DUESSELDORF - COLOGNE
"Penthouse" High Class Escort Service. THE BEST IN TOWN. 0211/49 16 93.

••••• FRANKFURT •••••
Princess Escort Service, 7 days.
Tel: 069 / 666 25 64.

DAGORNO
RESTAURANT
A glimpse of the menu at 160 francs including wine
Home made Foie Gras de Canard
Panaché of Fish with Crayfish
Peach Bavarois
Lively atmosphere
Piano
Dining rooms for lunches and dinner parties
Open every day until 12:15 a.m. (Fri. & Sat. until 1 a.m.)

190, Avenue Jean-Jaurès, 75019 Paris
Tel.: 40.40.09.39

هكذا من الأصل

Greta Pratt/Reuters

War veterans joining nearly 10,000 demonstrators who marched in Manhattan to protest U.S. military involvement in the Gulf.

In Gulf, Possibilities but No Certainties

By James LeMoyne
New York Times Service

RIYADH — Two and a half months after American forces were sent to Saudi Arabia and other Gulf nations, military commanders and political officials are finding it difficult to assure achievable goals in an ambiguous conflict whose outcome they cannot easily control.

In interviews over the last three weeks, American, Saudi and European military and political officials have pointed to the growing realization that if war comes, its human, economic, and political costs are likely to be high.

They say there is little prospect of winning a neat "victory" in such a conflict and that its consequences for the region and for the United States could prove severe.

"We can retake Kuwait and hit the Iraqi army hard," an American official said. "But what happens after that is hard to say."

At present, American and other forces are engaged in a steady military buildup designed to accompany diplomatic pressure on Iraq.

Barring unexpected developments, American officials say they do not foresee a war beginning for at least two months. They add that the United States and other countries are likely to seek further United Nations backing before initiating any military attack.

American forces are not yet fully deployed in the desert here, and a British armored brigade is just arriving. In the air, American fighters are testing Iraqi defenses by flying at the border and recording the signals of Iraqi radar, but pilots say the Iraqis often foil the exercise by refusing to turn on their electronic equipment.

In the midst of such preparations, no official can say with assurance when war may begin, nor how, and when it might end.

American military planners and political analysts here run countless scenarios — all of them possible, none of them certain.

Officials say prediction is difficult because of shifting alliances and sudden developments in a Middle Eastern region that is inherently unstable. American planners say they have yet to decide if their goal is simply to liberate Kuwait, or to destroy the Iraqi military, Iraqi weapons factories, and the Iraqi leader, Saddam Hussein, as well, perhaps by sending a multinational force to occupy Iraq.

There is little doubt that the forces here can retake Kuwait and destroy much of Iraq's army and air force. But there are grave doubts about the costs of occupying Iraq and the future of a defeated Iraq.

Saudi and American officials say war with Iraq may deepen the identity crisis Arab societies have been suffering for decades as they confront a period of threatening change that many see as spurred by Western societies they both admire and fear.

"The way we win will be as important as winning itself," an American diplomat said. "We have to think about Iraqi and Arab reaction to a humiliating defeat at the hands of the United States."

American planners admit they cannot predict the reaction of the Iraqi people to an outside attack, especially the reaction of the country's Shiite Muslim majority.

Several diplomats said the ideal scenario would be to force an Iraqi withdrawal that brings the downfall of Mr. Hussein. But they admit that there is no assurance of this and no certainty that a more-mainstream leader would replace him.

Uncertainty is heightened by the possibility that Iran or Syria might invade Iraq to seize disputed territories, or that Iraq's long-abused Kurdish people will rise up and demand a state of their own.

There is also a realization that American and civilian casualties may well be high in a war of rockets, heavy armor, poison gas and possibly biological weapons. The Western hostages held in Iraq may die. Leaking poison from bombed Iraqi chemical plants may kill civilians.

American officials have sought as much Arab participation as possible in the military force that may attack Iraq. But so far, Arab nations have sent minimal troops, increasing the political exposure of American, British and French forces.

There appears to be a possibility that American forces could find themselves used by Arab nations in a regional feud that, but for the importance of oil, appears distant from traditional American concerns. This is a region dominated by rigid military dictatorships and Arab monarchies.

In the event of war, American planners expect a new wave of terrorist strikes against American and European targets. They say they fear American embassies could also be attacked in several Arab countries, especially Jordan.

"The American Embassy in Amman will probably burn," an American official said.

Several diplomats said they feared further polarization between Israel and the occupied Palestinian population it controls. If Iraq were to attack Israel, American officials say, the conflict could easily widen to include other Arab countries.

It is a scenario that causes planners here particular concern. Faced with Arab demands and the need to assure future oil supplies, American and international pressure may grow on the Israeli government to negotiate autonomy for the Palestinians.

Saudi, Kuwaiti and American officials say war with Iraq will redefine attitudes toward the defense of oil reserves and the Gulf countries that hold most of them.

It appears likely that a multinational force will remain, backed by a security pact aimed at imposing a degree of stability in a long-volatile region where Iraq, Iran and Saudi Arabia will continue to compete for influence.

More Evidence of Mixed U.S. Signals

By David Hoffman
Washington Post Service

WASHINGTON — President George Bush sent a message to President Saddam Hussein of Iraq days before the invasion of Kuwait saying that the United States wanted better relations with Baghdad but was concerned about Mr. Hussein's threats to use force against his neighbors, according to administration officials.

The presidential message was drafted after the U.S. ambassador, April C. Glaspie, was summoned by Mr. Hussein on July 25 and after Washington officials received a report from Ms. Glaspie.

Mr. Bush's message to Mr. Hussein may step up the debate over the administration's policy toward Iraq before the invasion. The message, as described by officials, suggests that the White House was still sending mixed signals to Mr. Hussein after Ms. Glaspie's report of their meeting.

The message was supposed to have been given to Mr. Hussein by Ms. Glaspie, but she did not see him again before the invasion on Aug. 2. Ms. Glaspie instead took the message to Foreign Minister Tariq Aziz, an administration official said. Ms. Glaspie left Iraq just before the invasion.

In the July 25 session, Mr. Hussein lectured Ms. Glaspie about his complaints against Kuwait and the United Arab Emirates. According to an Iraqi transcript of the meeting, Ms. Glaspie responded by saying that the United States had no position on the border disputes with Kuwait. Ms. Glaspie said the United States wanted better relations with Iraq and gently inquired about an Iraqi troop buildup.

This meeting has fueled charges that Ms. Glaspie and the administration sent the wrong signal to Mr. Hussein on the eve of the invasion. Mr. Bush and Secretary of State James A. Baker 3d have acknowledged that U.S. policy was to try to work with Mr. Hussein, but they have branded as "ludicrous" the accusation that the administration may have encouraged Mr. Hussein to think he could invade Kuwait without a harsh U.S. reaction.

Senator Claiborne Pell, Democrat of Rhode Island, the chairman of the Foreign Relations Committee, urged Mr. Baker at a hearing last week "to conduct a search and review of U.S. policy and actions preceding Mr. Hussein's aggression."

Mr. Pell said that the Senate had tried four times before the invasion to impose sanctions on Iraq "for its repeated violations of international law" but that both the Reagan and Bush administrations had resisted the efforts.

According to administration officials, Ms. Glaspie immediately sent an account of her meeting with Mr. Hussein back to State Department officials in Washington.

The Middle East Policy Survey, a newsletter that reported the Bush message this weekend, said Mr. Hussein telephoned President Hosni Mubarak of Egypt in Ms. Glaspie's presence on July 25 to assure Mr. Mubarak of Iraq's "peaceful intentions."

The newsletter said Mr. Hussein was conducting an "elaborate ruse" to mislead U.S. officials.

Ms. Glaspie was summoned to the July 25 meeting with Mr. Hussein on such short notice, U.S. officials said, that she did not have time to seek guidance from Washington.

Nevertheless, Ms. Glaspie's performance has provoked debate among U.S. officials, some of whom believe she should not have taken the upbeat line she did with Mr. Hussein. Others say she was following administration policy even without specific instructions.

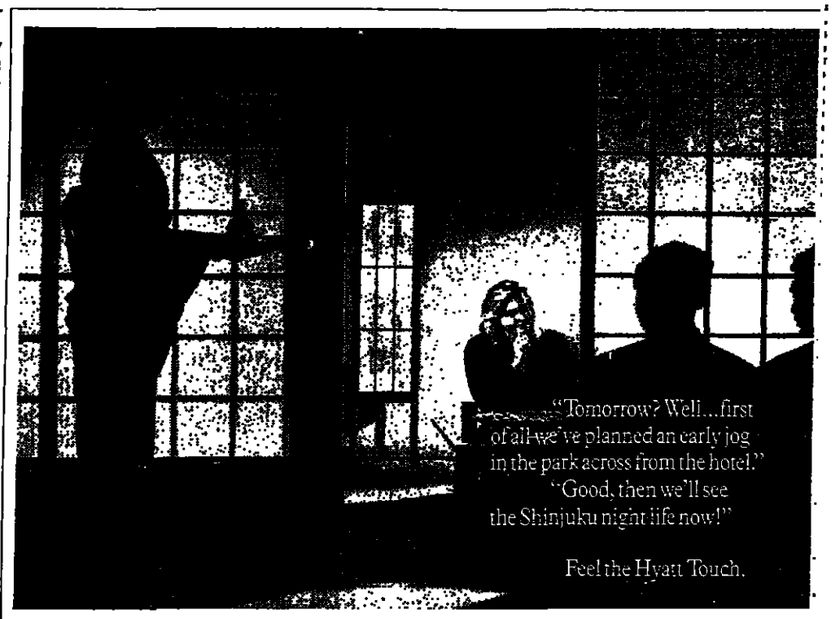
One official said the White House, after receiving Ms. Glaspie's report, wrote a response to Mr. Hussein from Mr. Bush, which was transmitted through the State Department to the embassy in Baghdad on July 28. This was a day or two before news reports surfaced, quoting Western diplomats in the region, that Iraq had dramatically increased the number of its troops on the Kuwaiti border, up to about 100,000.

The official said this was a "presidential message" that had been drafted by the White House. The normal procedure with such messages for foreign leaders is that a cable conveying the message is often sent ahead, with a paper copy to follow. But in urgent cases, such as this one, the message was sent without a paper copy.

The exact wording of the Bush document could not be learned, but officials said it was a mixed message. Mr. Bush repeated that the United States wanted better relations with Iraq. At the same time, however, the message said Mr. Bush believed "the use of force or the threat of using force was unacceptable," one official said.

The message said the United States would "support our other friends in the region," apparently a reference to other Gulf states such as Kuwait and the United Arab Emirates, although they were not mentioned by name, the officials said.

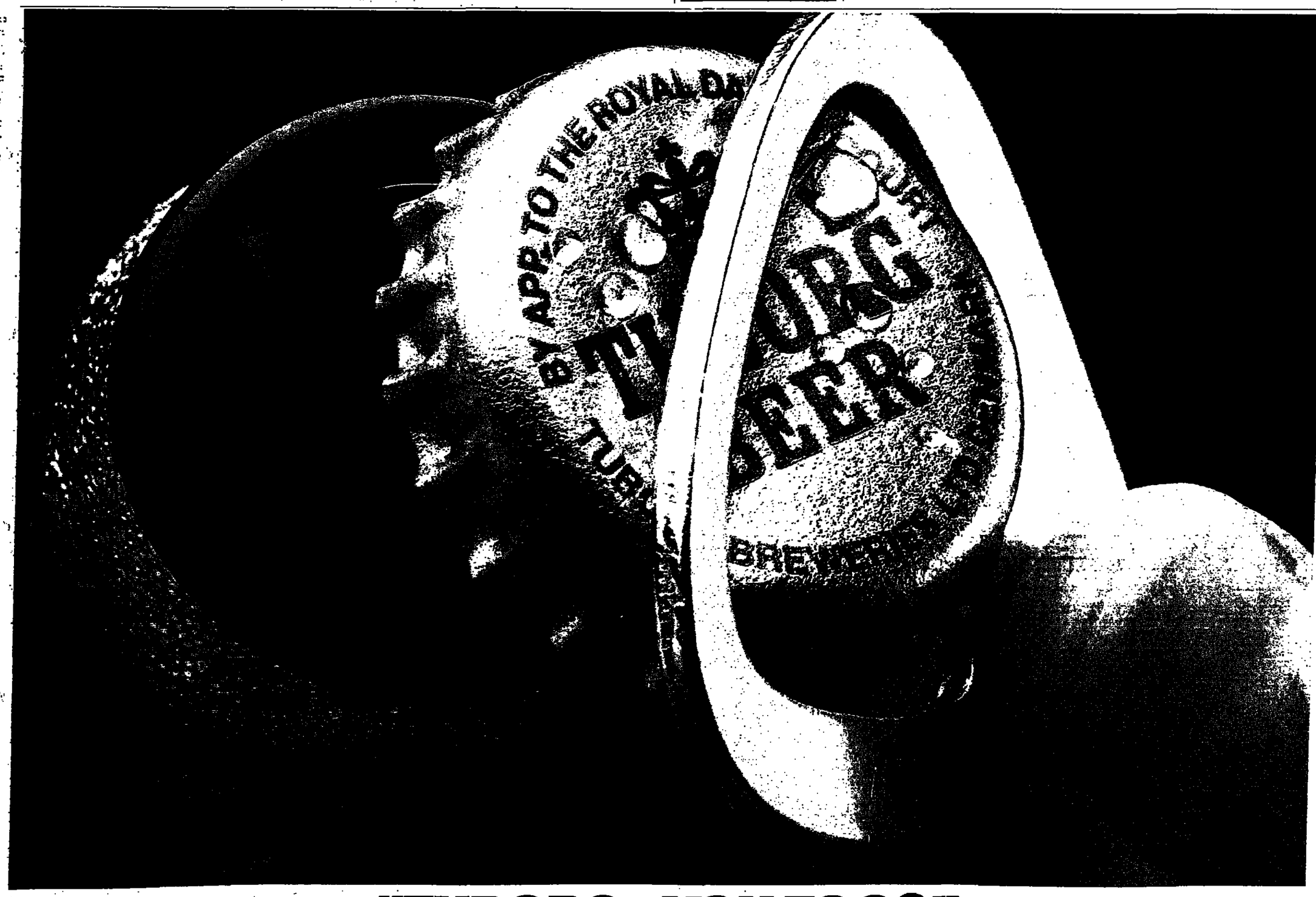
Peter Keppler
presents
Gala Evening Dresses Cocktail Extravagance
on October 18 - 23rd 1990
at the Hotel George V
Avenue George V - Paris.
Salon 154. Tel. (1) 47.23.54.00



Tokyo, Japan

HYATT
CENTURY HYATT TOKYO

2-7-2 Nishi-shinjuku, Shinjuku-Ku, Tokyo 160, Japan.
For reservations and more information about Hyatt Hotels and Resorts worldwide, call your travel planner or your nearest Hyatt



"TUBORG...YOU TOO?"

For generations Tuborg has been part of the noble art of beer drinking in all European countries.

Inside the Stasi Spy Network: How East Germany Became a Haven for Terrorists

By Lally Weymouth
Washington Post Service

In united Germany, a heated debate persists over whether to grant unconditional amnesty to former East German intelligence agents who worked for the Stasi — the all-powerful state security service that for 40 years controlled the German Democratic Republic.

Those who oppose general amnesty unless it is accompanied by public confessions argue that such a policy would allow Stasi agents to emerge unpunished, and perhaps unidentified, in powerful new posts, or even to work for the Soviets, undetected by the West.

In an extensive interview, a former high-ranking East German intelligence official who fled to the West a few months ago offered details on how his country became a central base for international terrorism.

Many of the details given by the defector cannot be verified, but West German officials familiar with his background consider him to be one of the most important East bloc intelligence agents to have emigrated.

The defector, who insisted on anonymity, described an East Germany that was a haven for terrorists of all kinds. Carlos, the nom de guerre of Illich Ramirez Sánchez, an international terror chieftain, was welcomed to East Berlin, as were Georges Habash, head of the Popular Front for the Liberation of Palestine; Abu Nidal, the Palestinian terrorist leader, and Abu Daoud, who organized the massacre of the Israeli Olympic team at Munich in 1972. Yasser Arafat, the Palestine Liberation Organization leader, was a frequent visitor.

In East German training camps, terrorists and would-be terrorists were taught sabotage and related arts. Some of the "students" were Sandinistas from Nicaragua, others were Chilean "dissidents."

The defector also revealed that East German intelligence received advance word that Libyan agents were planning to blow up a West Berlin discotheque in April 1986 — an incident in which two people, including a U.S. serviceman, died and more than 60 Americans were injured.

The East Germans, the defector said, even notified their Soviet mentors in advance. The attack, which led directly to the American bombing of Libya, took place 13 months after President Mikhail S. Gorbachev came to power.

The East German defector provided details concerning the Stasi-KGB relationship. Until 1958, he said, advisers from the Soviet intelligence agency were in charge of each Stasi unit.

By the 1970s, he said, the relationship had changed. "We no longer were subordinate partners but equals," he said.

The defector said that there was a common electronic data storage center in Moscow for all the East European services. "This is where all information of all security services on international terrorism was brought together," he said.

The top priority of the Stasi and the KGB, he said, was to work against the intelligence services of the West. "We worked especially jointly against foreign intelligence services, including the CIA and the Israeli intelligence service," he said.

One operation the Stasi conducted with the KGB took place in 1987 when they eavesdropped on a female CIA staffer attached to the U.S. Embassy in East Berlin. "We tapped her private apartment because she talked too much and revealed a lot about the CIA station," the defector said. "Because of that, we were able to identify U.S. agents in Eastern Europe."

The defector says that by operating Arabs as double agents against the Israeli intelligence service, the Mossad, "we learned about the modus operandi of Mossad, its objectives, missions and staff in Europe."

Yet, he observed, both the Stasi and the KBG admired the Mossad.

"It was the best intelligence service globally and the most dangerous because of its ruthlessness in neutralizing opponents," he said. "The KGB was not satisfied with the result of its activities against the Mossad."

Among the Arab countries that sponsored global terrorism were several close allies of East Germany — Syria, Libya, Iraq and Yemen. The East German president, Erich Honecker, "believed that whatever was detrimental to imperialism was to our benefit," he said.

The defector said that many Arab embassies in East Berlin were filled not with diplomats but with intelligence operatives. In the embassies of these Arab states, he said, were "huge arms depots, containing large quantities of explosives." These arms and explosives were channeled from the embassies to various Arab terrorist groups based in East Germany. They were then used, he said, to strike at targets in Western Europe.

The defector described the training camps that served the PLO terror factions based in East Germany. "All component organizations of the PLO could send cadres for training," he said. Special attention was given to the PLO's security brigade trained by the Stasi in counterintelligence.

East German intelligence, the defector said, gave the PLO trainees information it had collected concerning U.S. intelligence services. East Germany also warned Arab terrorists if and when the Stasi learned that a Western intelligence service was on alert to arrest a terrorist.

The defector was reluctant to address the Stasi's widely acknowledged role in orchestrating terrorist attacks against West Germany and other Western countries. He did acknowledge that East Germany "had a vital interest in destabilizing" the Bonn government.

According to West German intelligence officials, East Germany and the other East bloc countries offered "genuine, active support measures for international terrorism."

Stasi agents, the defector said, learned about the Libyan plan to bomb the West Berlin discotheque at least four weeks in advance. He said that Mr. Honecker and the Stasi chief, Erich Mielke, were given detailed plans of the terrorist attack before it took place.

The defector said he informed the Soviets that an attack was planned. "I personally told my counterparts in the KGB," he said. "I know for sure that this went to Moscow immediately."

As for the Red Army Faction, whose specialty was killing and kidnapping West German businessmen and politicians, the defector claimed to have only peripheral knowledge gleaned through Arab terrorists. After PLO officials had been trained by the Stasi, he said, they took their newly gained expertise and passed it on to the Red Army Faction in training camps in Libya, Syria and Yemen. The defector also acknowledged that East Germany offered shelter to leading Red Army Faction members.

The relationship between the Stasi and the KGB changed once again when Mr. Gorbachev came to power in 1985. The Soviet leader's relationship with Mr. Honecker was strained and thus, according to the defector, "our practice was to some extent to work against the KGB."

Between 1985 and 1988, "we thought cows reigned in Moscow, while we were successful," the defector said. "We felt Honecker was superior to the Soviets."

Glasnost and perestroika did not slow the Stasi down, the defector said. Indeed, "there has never been a restriction on offensive intelligence work since Gorbachev came to power," he said.

By 1988, he said, the Soviets decided they could no longer work with Mr. Honecker, and their strategy was to remove him from office without destabilizing East Germany.

Mr. Mielke was chosen to coordinate the overthrow of Mr. Honecker and the installation of his successor, Egon Krenz.

In a secret meeting in early October 1989, Mr. Mielke decided to use force if necessary to achieve the transition, the defector said.

"There were clear-cut plans to take action against what were called counterrevolutionaries," he said. The plans, he added, included "precise lists of persons to be arrested and interned."

But the Soviets decided not to go along with the use of force, he said.

Mr. Krenz's ouster was negotiated in a secret conference on Nov. 12, 1989, in the Soviet Embassy in East Berlin. The defector said that present at this meeting were Mr. Krenz; Valentin Falin, chief of the International Department of the Soviet Communist Party Central Committee; Markus Wolf, the former Stasi chief, and Hans Modrow.

Mr. Modrow, who had close ties to Moscow, according to the defector, was designated as Mr. Krenz's successor.

Is the terror network still intact or has it collapsed along with communism? "The net has been broken up," the defector said. But, he warned, some former Stasi agents now work for the KGB, and "under certain conditions, parts of the net could be reactivated."

The Soviets, the defector said, have lists of Stasi agents and informers. He said he was approached last year by the KGB and asked to become an undercover agent. "Much to my surprise, the KGB knew better about my most valuable sources than I," he said.

If unconditional amnesty without full and public confession is granted to former Stasi agents, the defector argued, many of them will remain undiscovered, and "nobody in the West has any guarantee as to whether some of these agents will be reactivated by the KGB."

Bonn Shuts 5 East Reactors

Soviet-Built Plants Unsafe and Too Costly to Rebuild

By Marlise Simons
New York Times Service

PARIS — The German government has informed Soviet officials that it will shut down five Soviet-built nuclear power reactors in former East German territory by mid-December because they are unsafe and the cost of adapting them is prohibitive.

Officials at the Nuclear Energy Agency, which is based in Paris, said the German decision would increase pressure to close at least 26 similar reactors scattered across Eastern Europe and the Soviet Union.

New understanding of the reactors' hazards has deeply worried specialists, who argue that any accident not only would harm the population but also would jeopardize the climate for all of nuclear energy.

"Those machines are very far off our own regulations and requirements," said a safety expert at the Nuclear Energy Agency, an agency of the Organization for Economic Cooperation and Development. "Not marginally off, but incredibly far off."

Germany has ordered the hasty construction of a $30 million oil-fired power plant to replace some of the energy produced by the five nuclear reactors. Other parts of eastern Germany are to be supplied from the west's power grid.

But it is considered unlikely the Soviets will take similar steps. A spokeswoman for the German environment minister, Klaus Topfer, said that when Mr. Topfer went to Moscow last week to announce the German decision, Soviet officials said that "they are not able to modernize any of their plants — there's no money — and they said they cannot afford to close any because they need their energy."

Soviet nuclear physicists are reported to have recently told their Western colleagues that energy shortages might even force them to reopen some old, deactivated nuclear plants.

But the problem is equally vexing for Czechoslovakia, Hungary and Bulgaria, which have the suspect Soviet nuclear plant models on their soil.

Energy specialists said that in all three countries, nuclear physicists and politicians had been debating the risks. But not one of the governments has decided whether to drastically upgrade or shut down the plants.

Officials in all three countries say they face impossible energy choices — they have cheap coal, but it is highly polluting; the cost of imported oil was burdensome even before the crisis in the Gulf drove up prices, and now they are told their nuclear reactors pose enormous risks.

At issue are plants with pressurized water reactors, the technology which is widely used in the West. No country outside the Soviet Union has the so-called graphite reactors, the type that caused the 1986 disaster at Chernobyl.

The reactors that have caused the most concern are known as VVER Model 230. The 440-megawatt reactors were designed in the 1960s and built in the 1970s. One of the reactors came close to meltdown during a fire in 1976.

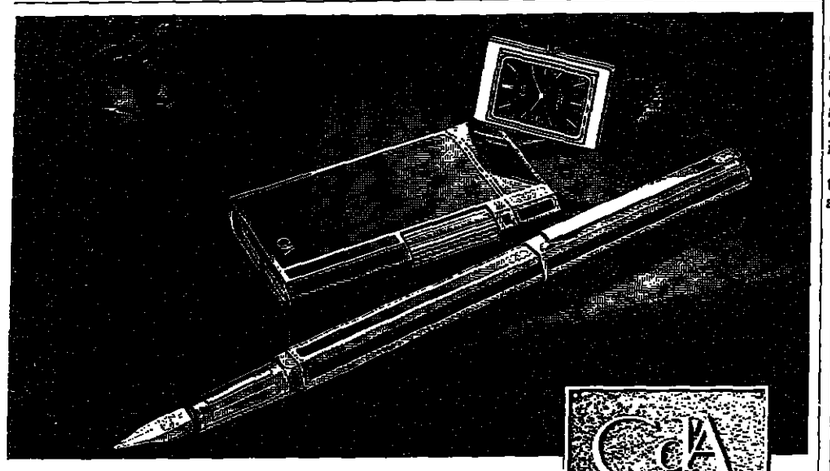
The five reactors scheduled for closing in eastern Germany — four at Greifswald and one at Rheinsberg — are of that type.

Earlier this year, before the unification of Germany, the West German government persuaded East Germany to suspend operations temporarily at three of the Greifswald reactors, and Germany now plans to take the other two out of service by mid-December.

Five more model 230s are in operation in the Soviet Union, four in Bulgaria and two Czechoslovakia.

Western experts are also concerned about a newer and improved 440-megawatt design, known as VVER Model 213. There are four such reactors in Hungary and six in Czechoslovakia.

Still pending is a decision about the future of five more modern nuclear reactors still under construction in former East German territory. Four of them are near Greifswald and the other is at Stendhal.



The Hexagonals by Cd'A. A complete range of reliable writing instruments and matching lighters with built-in reserve tank, a Cd'A exclusivity. Ten micron gold-plated and dressed in genuine Chinese Lacquer. And an accurate watch, water-resistant to 30 m, available in three sizes for men and women.

CARAN d'ACHE
GENEVE

CARAN d'ACHE S.A. · P.O. BOX 169 · CH-1226 THÔNEX-GENÈVE · SWITZERLAND · TEL. (022) 48 02 04 · TLX. 418 570 CDA · FAX (022) 49 84 12

Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

日本印刷実施

Now Printed in Tokyo For Same-Day Delivery to Most Homes & Offices in Japan
To subscribe call our Tokyo office
(03) 201 0205
Or write: TJM, 2F. Mainichi Newspaper, 1-1-1 Hitotsubashi, Chiyoda-ku, Tokyo 100
Or Telex: 33673. Or Fax: (03) 214 4045.

CAREER OPPORTUNITIES

Group Chief Internal Auditor

c $170,000
Europe

This publicly quoted international private banking group has an enviable reputation for providing a high quality professional service which is tailored to the specific needs of its clients.

The group wishes to appoint a dynamic Group Chief Internal Auditor, based in Switzerland, with pan-European responsibilities for spearheading the development of a proactive audit function dedicated to the delivery of tight financial and management controls appropriate to the business.

As befits this position, you will report directly to the Audit Committee on all strategic and operational aspects of the department, which extend to ensuring compliance of the group's activities with both local and international regulatory requirements.

You are currently the head (or frustrated number two) of an operational audit department with exposure to developing and implementing the audit approach to computerised accounting systems in a multi-locational environment.

A background in the financial services sector is not a prerequisite for this role and experience of computer-assisted audit techniques, whilst desirable, is likewise not essential.

A qualified Chartered Accountant (or CPA) aged 35 plus, you are well versed in large corporate structures and have a personal commitment to the provision of a commercially-oriented audit service.

You will be fluent in both English and French. In addition, residency status in Switzerland is highly desirable.

If you believe that your skills and experience equip you to meet the exciting challenges offered by this role — which promises significant career opportunities within the group for the right candidate — please contact Christopher Hetherington on 071-939 3000 (direct line: 071-939 5731) or write to him quoting reference C/1105/HT enclosing a CV and full salary details. Complete confidentiality regarding your initial contact is assured.

Executive Selection Division
Price Waterhouse
Management Consultants
No. 1 London Bridge
London SE1 9QL.
Fax No: 071-403 5265.

Price Waterhouse

23-24-25 OCTOBRE

liaisons sociales FORUM CONSEIL EXPO
LE FORUM DE LA GESTION DES RESSOURCES HUMAINES

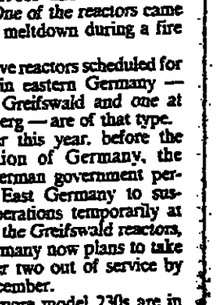
CNIT PARIS-LA DÉFENSE

Demandez le programme
tél. : 48.05.91.05

Une manifestation GROUPE LIAISONS

Speechwriter

Capture the magic of Disney...



Near Paris, in the spring of 1992, Euro Disneyland will open its doors to the world, with five wonderlands in the Magic Kingdom - Frontierland, Adventureland, Fantasyland, Discoveryland and Main Street USA, including twenty-nine fantastic attractions, together with shops and restaurants. A vast resort complex with six hotels, an entertainment centre, campground and golfcourse will welcome our visitors.
Today, you can enter this kingdom of dreams. Within the communication team, you will write speeches conveying the magic of Disney and of Euro Disneyland, for a European audience.
You are of American mother tongue with a good knowledge of French and have at least 4 years experience in a similar position, so you can contribute to the success of this historic enterprise. E.E.C. work permit required.

Please send your CV in French and English, without delay, with the reference MK/0230/HT to Euro Disneyland, Service Recrutement, BP 110, 94350 Villiers-sur-Marne, France.

Euro Disneyland S.C.A.

a serious invitation to join the fun

DIRECTOR FIELD OPERATIONS

United States based international community service organization with 325,000 members in 76 nations seeks a Director for its field Operations. Duties include membership marketing, new club formation, communications and training, and coordination of initiatives in Eastern Europe.
Desired qualifications include marketing or association background, exceptional communication skills, fluency in at least one European language as well as English, demonstrated international experience, a graduate degree in a related field, and a willingness to travel extensively.
This position may be based in Europe. It is expected to be filled no later than January 1, 1991. Interviews will be held in late November and early December. All inquiries are to be faxed to: **Human Resources Department** attention **John Mersid Jr.** at (317) 879-0204 no later than November 16, 1990.

EXECUTIVES AVAILABLE

EXPANDING INTO POLAND?

Polish national. Swiss based. 2 years experience with a major multinational company in business development. Government level contacts.

Languages: PL, Eng., F, Rus.

Seeks challenge as project/business dev. manager for Poland. May relocate.

Please write to:
I.H.T., Box No. D349,
181, ave. Charles de Gaulle,
92521 Neuilly Cedex, France.

PADCO, Inc.

is recruiting in the following areas:

- urban, regional, environmental planning
- transportation planning, management
- municipal engineering, solid waste
- GIS/LIS/MIS, image processing
- public finance, capital markets
- housing and land markets
- privatization of urban services
- urban/regional economics

Languages: French, Spanish, Polish, German, Bahasa, Thai or Philippino.

PADCO,
P.O. Box 50149, Washington, D.C. 20091-01 49.

ROÜLLIER

Implantation
FRANCE
GRANDE-BRETAGNE
BENELUX
ALLEMAGNE
SUISSE
AUTRICHE
ITALIE
ESPAGNE
CANADA

Le Groupe Roullier (3 milliards de FF de CA et 2000 collaborateurs) s'attache depuis plusieurs années à INTERNATIONALISER et DIVERSIFIER ses activités industrielles et commerciales : fertilisation, agro-fournitures, nutrition animale, hygiène et détergence, équipements agricoles, plasturgie, agro-alimentaire, et biotechnologies marines.
Pour faire face à notre expansion exceptionnelle - par croissance interne et externe - nous recherchons plusieurs

CADRES A HAUT POTENTIEL

Marketing - Commercial - Gestion

Bilingues Français

Après avoir intégré au sein de notre Direction du Développement *International la culture originale de notre Groupe, vous êtes appelés* à renforcer le management commercial et général de nos 20 sociétés françaises et *étrangères. Européens, diplômés d'enseignement supérieur, juniors ou confirmés,* aux talents et tempérament d'exception
une carrière nationale ou internationale très évolutive vous est proposée, jusqu'aux plus hauts niveaux de responsabilités.

Merci d'adresser - en français - lettre manuscrite, CV et photo (en précisant vos motivations géographiques et vos prétentions) sous réf. 94 à notre Direction des Ressources Humaines
BP 156 - 35408 St Malo cedex - France - Tél. 99.56.22.25
Une documentation sur notre groupe peut être adressée.
Les premiers entretiens pourront se dérouler dans votre pays.

La croissance maîtrisée

Management Consultants

The Organization Planning Staff is charged with developing a framework of organizational policies for the World Bank Group, monitoring organizational change within it, supporting institutional decisions on organizational issues and disseminating information on organizational practice inside and outside the institution. We are seeking two or more Management Consultants to plan and lead projects concerned with the organizational design, and the organizational effectiveness and efficiency of the Bank Group.

The Management Consultants will be part of a small highly skilled group reporting to the Head of ORG. Responsibilities include developing organizational policies; monitoring organizational effectiveness; analyzing organizational issues of institutional significance and recommending appropriate solutions; and keeping abreast of current development in organizational practice within and outside of the Bank Group.

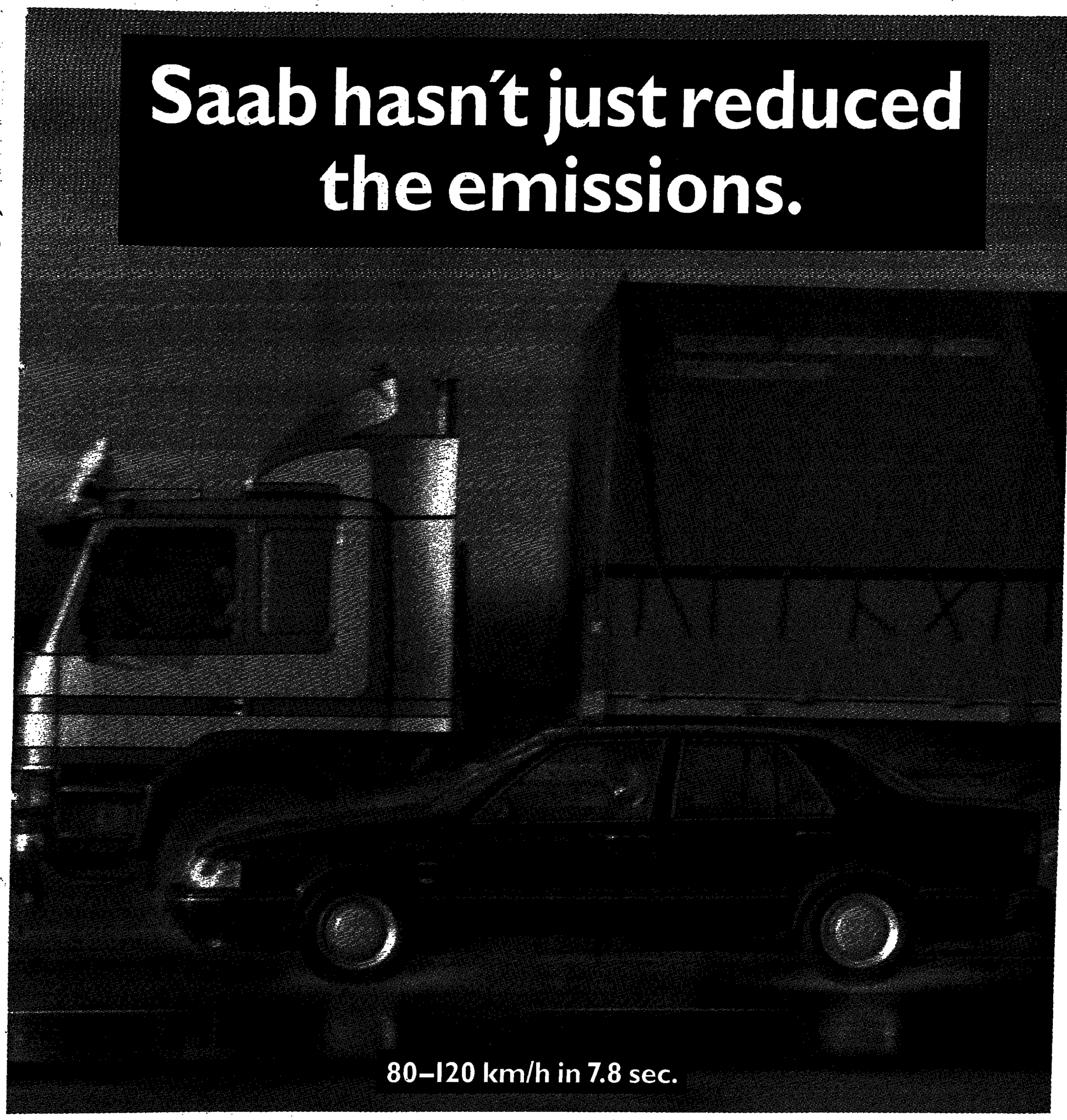
Qualifications include 10 years experience as an internal or external management consultant preferably in both the public and private sectors; an advanced degree(s) in public and/or business administration; excellent presentation, writing and interpersonal skills; sensitivity to cultural and political dynamics and their organizational implications; demonstrated capacity for creative and innovative thinking; and ability to operate effectively under pressure both independently and in cooperation with others.

Applicants please submit curriculum vitae to: **The World Bank, Attn: Pauline B. Ramprasad, 1818 H Street, NW, Room 0-4145, Washington, D.C. 20433, U.S.A.** Or fax to Ms. Ramprasad at (202) 477-6834.

The World Bank

هكذا من الأصل

Saab hasn't just reduced the emissions.



THE NEW SAAB 9000 2.3 TURBO. Emissions: Approx. 20% decrease of hydro carbons and nitrogen oxides compared to our 150 bhp version. Fuel consumption, 90 km/h: Highway 0.7l, city 1.16, combined 0.96 l/100 km (KOVFS 1988:1). Performance: 60–100 km/h, 5.9 sec (4th gear), 80–120, 7.8 sec (5th gear), 0–100 8.0 sec. Torque: 330 Nm (DIN), 2000 rpm.

THE NEW SAAB 2.3 TURBO—an engine which combines emission control with the latest power enhancements.

With 200 brake horse power and a new generation turbo charger, it has greater force than most high performance cars when overtaking.

The driving power goes from 80–120 km/h in only 7.8 seconds (in 5th gear), and delivers maximum torque at 2000 rpm.

Remarkably, this turbo engine is also one of the most civilized members of the Saab family, with a fuel efficiency roughly equal to the 150 bhp injection version, and with a 3-way catalytic converter without poisonous warm ups.

Imagine, more handling power without more cylinders to feed, reducing both overtaking time and pollution.

The new Saab 9000 2.3 Turbo. It's pure power and pure pleasure.

The new Saab 9000 2.3 Turbo. Pure power by Saab.

For more information contact: Saab Response Service S-611 81 Nyköping, Sweden. Fax: +46-155-44527. Eligible for a tax-free Saab? Saab International and Diplomat Sales. Fax: +46-31 492381.

SAAB SCANIA SAAB

International Herald Tribune
Published With The New York Times and The Washington Post

OPINION

The Weapon of Patience

The siege in the Gulf is not yet 12 weeks old, but the patience of some Americans already seems exhausted.

First came the Hasty Hawks, certain that support for sanctions against Iraq would evaporate, and thus eager to "take out" Saddam Hussein with a "surgical strike," oblivious to the cost in American lives now and Arab hostility forever. Enter now the Nervous Doves, their case urgently pressed by Jimmy Carter in Time magazine.

Curiously, both schools of thought proceed from the same dubious premise — that Saddam has greater staying power than the awesome coalition arrayed against him. This flatters a dictator and devalues democracy.

Fortunately, President George Bush's policy presumes otherwise, and assumes more of Americans. If the need to keep forces abroad for the long haul is presented clearly to the public, it will support a prolonged and costly commitment. It has done so for 40 years, for example, in Korea.

Mr. Carter raises familiar alarms. Oil prices are rising, Arab and Soviet support for a global embargo of Iraq is not solid, and a world of short attention span is bound to turn to other matters. But whereas Hasty Hawks would initiate hostilities, he would initiate peace talks.

There is nothing wrong with taking soundings in Baghdad, or with encouraging any intermediaries, including King Hussein of Jordan, to talk with Saddam's emissaries. A senior Soviet official who recently traveled to Iraq may make plain to its leaders that there can be no partial solutions. What would be folly is to let Saddam believe that he can engage in serious negotiations before unconditionally withdrawing from Kuwait.

Any softening of that demand would undermine the whole purpose of this exemplary instance of collective action. After only three months of embargo, Iraq is squirming. Gasoline, of all things, is about to be rationed. Baghdad, desperate for cash, is now offering to sell its oil for half price to anybody willing to violate the embargo. Food appears to abound in Baghdad, but as John Burns of The New York Times reports, shortages are crippling factories dependent on imported raw materials and spare parts. Disabled or idle equipment is a common sight. And hundreds of thousands of foreign workers have fled Iraq and Kuwait, taking with them their skills and their willingness to work at menial jobs.

No longer quite so defiant, Saddam now hints that his "irreversible" annexation of Kuwait might in fact be reversible — if the world rewarded him with access to the Gulf and possession of disputed islands and oil fields. This sounds like the first squeak from a cornered bully. Even at this early moment, the siege seems to be starting to work. What a stunning miscalculation and waste it would be to weaken now.

Early fears about the allies' Desert Shield have proved unfounded. The coalition has held, with negligible wobbles. The rapid buildup in Saudi Arabia has gone forward without serious incident. Wisely and correctly, the Pentagon has informed Congress that the siege might last many months.

Opinion polls show some falling off in the initial overwhelming American approval for Mr. Bush's Gulf strategy. This was inevitable. But now, as in Korea and Europe, most Americans understand that the presence of U.S. forces can keep the peace, protect economic lifelines and deter aggression. What the siege of Iraq needs most is time to work.

— THE NEW YORK TIMES.

A Nuclear Dividend

While the dramatic reduction in tensions between the United States and the Soviet Union brought much of a peace dividend in cash to the U.S. federal budget, other kinds of peace dividends are beginning to be visible. The secretary of energy, James D. Watkins, has announced that the extraction plant at Hanford, Washington, will not be restarted for the production of plutonium for nuclear weapons. The United States has a lot of plutonium on hand, more than present circumstances require.

The diminished nuclear rivalry with the Soviet Union comes at a fortunate time. For decades the American weapons plants operated behind a heavy shield of secrecy, but after the Soviet reactor disaster at Chernobyl in 1986 the Energy Department commissioned a series of unprecedentedly thorough and public assessments of its facilities. These showed that its weapons plants, built a generation ago, had suffered from hard use during their long lives and had fallen far behind current standards of nuclear safety.

The plutonium extraction plant at Hanford is typical. It was put into service in 1956, mothballed in the early 1970s, then started again in 1983 for the Reagan administration's buildup of armaments. When it was shut down two years ago, its safety and environmental defects were well known.

Hanford is not an isolated example. The department is anxious to get the reactors at its Savannah River Plant, in South Carolina, back into operation to produce tritium, another ingredient of nuclear explosives and, unlike plutonium, one that decays over time. The three Savannah River reactors were shut down for reasons of safety, but renovations are under way and the department is scheduled to restart one of them in December. Congress will need to take a close look at conditions there.

Even harder decisions lie ahead at Rocky Flats, Colorado, where plutonium and other materials are fabricated into weapons components. Obsolescence and environmental pollution are severe, the dangers in this case being compounded by the plant's proximity to a large city, Denver.

Patching and modifying old equipment is, beyond a certain point, dangerous. In most instances, entirely new installations are going to have to be built from the ground up in conformity with the standards that four decades' experience have produced. It is going to be a huge job, but the relaxation of the arms race gives the United States more time than it thought it had, as recently as a year ago, to consider how best to proceed. That is not a trivial kind of a peace dividend.

— THE WASHINGTON POST.

A Small Price for Art

Tax breaks for the very rich are not easy to defend, especially in the current congressional climate. Senator Daniel Patrick Moynihan of New York knows that; he has endured endless flak for proposing a tax break for wealthy families who give artwork to nonprofit organizations. But he is right to persist. There has been a sharp downturn in the number of gifts to museums since the passage of the 1986 tax reform, which made charitable giving more expensive. The Moynihan proposal would help undo the damage. Thoughtful members of Congress will support it through conference to enactment.

A 1989 survey of museums showed that within a year of the tax reform act, the value of objects donated dropped by one third. Another study found a two-thirds decline. Museum directors attribute the drop to the 1986 act, the general lowering of tax rates for the rich and the soaring spiral in art prices. They are persuaded that the only way to maintain the public-private partnership that supports museums is with incentives for private collectors to make donations.

One Western director reports that accountants have been telling their patrons that under present law they are much better off selling their pictures, paying the tax on the appreciated value and giving at least some of the net profit to the museum. The museum is glad to have the money; but it, and the public, have lost what might well be a great — and unrecoverable — painting.

A tax subsidy is, museum directors unanimously proclaim, the only realistic alternative to direct public subsidies. And the cost of the tax incentive is small, less than $100 million over five years.

In any case, there is a safe haven for members of Congress who are still uneasy about the appearances of stroking, not soaking, the rich. The tax subsidy need not cost low- and middle-income families even a dime. The conferees can approve Senator Moynihan's proposal, and make up the entire tax loss with a small increase in a provision called the alternative minimum tax, which ensures that every family pays a modest amount of tax no matter how cleverly it arranges its financial affairs.

Surely Americans are better served when great works of art hang on museum walls for all to see, rather than in private salons, in America and abroad.

— THE NEW YORK TIMES.

Other Comment

Coming Together in Asia

That Asia should be so recession-resistant ought to come as no surprise. Apart from Japan — and perhaps not even there — the complete consumer society with all its indulgences and extravagances is still a long way off. The work ethic has not been eroded. A willingness to make do with less for the sake of the children's future is a still powerful determinant of spending patterns. People save money as a matter of course. And Asian economies, being mainly export-oriented, are better geared to sustain growth even as the constant need to improve infrastructure creates jobs. Yet at the same time, rising prosperity lifts purchasing power and creates more locally generated demand. Cross-border trade, investment and travel are increasingly making growth an interrelated regional phenomenon. Taiwan investors build factories in Thailand. Hong Kong money goes into Indonesian light industry. Malaysia, Singapore and Indonesia explore the advantages of industrial sharing. India sheds some of its old preoccupations and sees the potential of marketing its manufacturing skills. Thailand eagerly examines commercial opportunities in Vietnam. Everywhere neighbors put aside old enmities: South Korea and China, Japan and North Korea, China and the Soviet Union. As the values of the 1980s are wedded to 1990s perceptions of synergy, a Community of Asian Nations is emerging without conscious effort.

— Asiaweek (Hong Kong).

INTERNATIONAL HERALD TRIBUNE
JOHN HAY WHITNEY, *Chairman 1958-1982*

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
Co-Chairmen

LEE W. HUEBNER, *Publisher*

JOHN VINOCUR, *Executive Editor* • WALTER WELLS, *News Editor* • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, *Deputy Editors* • CARL GEWIRTZ, *Associate Editor* • ROBERT J. DONAHUE, *Editor of the Editorial Pages* • REGINALD DALE, *Economic and Financial Editor*

RENÉ BONDY, *Deputy Publisher* • RICHARD H. MORGAN, *Associate Publisher* • FRANÇOIS DESMAISONS, *Associate Director* • JUANITA I. CASPARI, *Advertising Sales Director* • ROBERT FARRÉ, *Circulation Director, Europe* • KOURDT HOWELL, *Director, Information Systems*

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx:RS56928 Mng. Dir. Asia, Rolf D. Krengeldt, 50 Gloucester Rd., Hong Kong. Tel. 8610616. Telex: 61170 Mng. Dir. U.K., Garry Thorne, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009 Gen. Mgr. Germany: W. Lauterbach, Friedrichstr. 15, 6000 Frankfurt/M. Tel. (069) 726755. Tlx:416721 Pres. U.S.: Michael Conroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex: 427175 S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

© 1990, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

The World Needs a Strong European Community

By Flora Lewis

ROME — Western Europe's will to consolidate is faltering as the Community reaches a moment of decision. Something happened during the summer to drain momentum from the intense drive to change and strengthen the Treaty of Rome into the start of a real constitutional union.

In mid-December, member states will begin two conferences in Rome, one on setting up a single currency and one on political integration. The goals are already being diluted and delayed. It is as though Britain's Margaret Thatcher had turned the tables and persuaded her partners that their national sovereignty mattered more than their search for the power of unity.

This should worry the United States. With the collapse of Soviet political power, it would mean that America will be left as the only big kid on the global block, with nobody its own size to share responsibility and tame impulse. It is not a healthy prospect for many reasons, including the temptation for the rest of the world to identify America as the main target for grievances.

A lot happened during the summer. The Gulf crisis set off by Iraq's invasion of Kuwait was dramatic. There has also been the emergence of a single German state, the switch from euphoria to serious concern for the future of newly liberated Eastern Europe, and recognition that the Soviet colossus is disintegrating.

At first, the lack of an effective European capacity to make common decisions to deal with these startling developments spurred the sense of need to move rapidly. People began talking about writing a constitution, although they are still very fuzzy about whether it should be for a gigantic nation, a federation, a confederation or just better coordination.

But determination of leaders has ebbed as they near the point where stirring words must be converted into deeds. They recognize that they face something new, without precedent in their history, just as the Eastern states have no precedent for replacing communism with liberal democracies. Germany's Helmut Kohl is somewhat encouraging again, but most of the others are shying away.

Italy's ebullient foreign minister, Gianni De Michelis, now says: "We shouldn't be talking about a European constitution; that's too fancy. It's an ongoing process. It might take decades to reach our objectives." The purpose, he says, must be to "prepare a pan-European entity — it needs the core of the 12, but we can't be selfish, we 12."

His prime minister, Giulio Andreotti, talks vigorously but ambiguously on both sides, as many government heads are doing now.

They were addressing a meeting organized by the Bertelsmann Foundation, a private German-sponsored group dedicated to European unity. Its head, the publisher Reinhard Mohn, is trying to do something like what Jean Monnet, "the Father of Europe," did in the 1950s and '60s, to prepare the ground for forward leaps with careful studies. Its report said it found the people ahead of their elites in supporting bold measures.

But the devoted Europeanists, people like Emilio Colombo of Italy and Leo Tindemans of Belgium, are pessimistic now. Mr. Colombo put the challenge: "Can we found a community without sovereign institutions?" He answered, "I think I'll lose." Still, he and a few others appealed for an organized power that "can sit alongside the U.S. as an equal."

It matters to Europe because the alternative in a time of rapid change is to risk sliding back to the system between the two world wars: rival states seeking security and support through competing alliances. The idea was to find one's friend in "the enemy of my enemy," a formula for disaster.

It matters to the United States because this could unravel the basis for an orderly new international system, and confound the hopes aroused by the end of the Cold War. Nobody wants to go backward. But, as the last year has shown, history is not always patient with human reluctance for change and with the desire to move gradually. Opportunities lost don't wait for the courage to grasp them.

The United States cannot manage the world alone. It hasn't the resources, the wisdom or even the will. It is having a hard time running itself these days. And yet the world urgently needs sound management, to deal not only with acute new issues such as environment but also with virulent old issues — nationalism, power hunger, ethnic and religious hatreds.

A vital, confident and capable European partner is essential. The Gulf crisis has again shown the need, and the shortcomings. Time has not run out yet. America helped launch Europe on its new path. America's voice should be raised now to keep Europe on the track that is best for both.

The New York Times.

Working the Same Street but on Different Sides

By Stephen S. Rosenfeld

WASHINGTON — If the award of the Nobel Peace Prize to Mikhail Gorbachev reinforces his inclination to pursue peace in the Gulf, the fact remains that the sort of diplomatic initiative he is shaping puts him at odds with George Bush, whose Gulf strategy is based in large measure on projecting a unity of Soviet and American policy and resolve.

The Soviet leader appears to favor precisely the outcome that Secretary of State James Baker belittles as the "siren song" of a "partial solution" — an incomplete withdrawal from Kuwait that leaves Iraq with selected oil fields and islands, a political deal in Kuwait that falls short of restoration of the old ruling family, and an overall settlement that keeps Saddam Hussein in power.

Saddam Hussein insists that he won't waver, yet he dangles hints of concessions. Whether his purpose is simply to confuse the coalition ranged against him or to prepare a fallback position is something that there are only two ways to tell.

One is to keep the pressure on — the approach currently embraced by the United States. Applying an embargo, a diplomatic squeeze and the threat of military confrontation, it has made Iraq's prior acceptance of United Nations demands for withdrawal and restoration a nonnegotiable condition just for opening a dialogue.

Here lies the diplomatic meaning, as distinguished from the propaganda meaning, of Mr. Bush's repeated references to Saddam Hussein as a Hitler. It is not simply that Saddam has committed terrible human rights crimes and set himself on a path of aggression. With a Hitler you cannot compromise; the only acceptable result in a confrontation with him is his unconditional surrender.

American aims are worthy, even noble. The question remains whether the dogged pursuit of these aims may not progressively separate Mr. Bush from his allies and push him into military action in which the United States would have little international company and something less than enthusiastic domestic support.

The general mood on how Mr. Bush is doing on this score changes; he has had some good patches, and currently he is going through a bad one.

To those who believe that the United States would be better off living with an imperfect Gulf compromise than accepting the costs and uncertainties of a shooting war, Mr. Gorbachev appears as lending his weight to a potential alternative. He accepts the idea not only of dialogue but also of compromise. Having begun the dialogue, he is testing Iraq's readiness for compromise by trying to add an element of negotiation to the pressure that his government has applied through the United Nations resolutions. Amid varied signals from Moscow, he recently sent to Baghdad an envoy, Yevgeni Primakov, who pronounced himself "optimistic" about Iraqi withdrawal. Mr. Baker's putdown of a "partial solution" followed. Mr. Primakov has been in Washington for consultations.

The Cold War may be over but a quiet political struggle goes on between Soviets and Americans for regional influence and the mantle of leadership. It is a comfort that the two governments are together on rolling back and containing Iraq. Still, this policy is a broad street, and they are working different sides of it.

Close by Iraq, populated by 50 million Muslims wary of a lingering American presence in the Gulf, the Soviet Union wants to end up with good neighbors and a stable neighborhood. Standing at a distance and seeing the crisis as a test of U.S. world reach and prestige, America wants a victory that lays down the rules of the new global game. These political tensions are aggravated by the personal burdens that the two leaders carry.

With so much at stake in reducing the menace of Saddam Hussein, it should not be impossible for the Soviet and American governments to harness their policies to that large end. They must find a way to rise above their tactical differences and seek out shared strategic terrain. It is a tough job for two governments unaccustomed to working together in this fashion, and an essential one.

The Washington Post.

Too Many Bush Fumbles in His Term's First Half

By James Reston

WASHINGTON — Most presidents run into unavoidable trouble by the time they reach midterm, but George Bush is different. Many of his troubles were not only avoidable but predictable, and this has hurt him because they raise questions about his judgment.

In a way, criticism of his budget difficulties has been extreme. Fights between Republicans and Democrats over how to raise and spend money are unavoidable; put a few hundred billion on the table and they pounce on it like pit bulls. But the main thing is not that they disagreed about how to cut it up, but that they agreed to reduce the deficit by half a trillion dollars in the next five years. This may be the single most important economic decision of the last two years.

George Bush is better at the big things than the little things. His objective on the budget was admirable but his handling of it was comical, and when he is mocked as weak or indecisive he is unpredictable.

We saw this in the campaign when he overcame his better qualities and followed John Sununu, Lee Atwater and James Baker down the low road.

After he won, he promised to nominate the best advisers available and told Americans that they were living in an age of terror when life was fragile, and then picked Dan Quayle of Indiana for vice president. This was clearly an avoidable blunder, and an injustice to both Mr. Quayle and the country, which fortunately can be corrected next time if his party thinks about it.

The odd thing about George Bush is that he plans his fumbles. He did not have to promise not to raise taxes in a future that he could not possibly foresee, or remind the country about his infamous wisecrack by telling the reporters during the budget mess to "read my hips." They read his flips instead.

He has done some very good things. No president since the last great war has made a greater effort than George Bush to reach out to the opposition leaders for compromise and understanding. He has been on television almost as much as Dan Rather, and has held more press conferences in more strange places than any president since the inception of that jumping-jack institution. He has many other good qualities, but foresight is not one of them.

When he ordered 200,000 men into the Arabian desert, he went on vacation and delivered his war communiqués from the back of a golf cart, and was genuinely surprised that most people didn't think this showed "grace under pressure."

In the middle of the budget crisis when he was trying to get the support of the leaders of the Democratic Party, he took time off to campaign in North Carolina for the re-election of Jesse Helms, of all people.

He was determined at the start to "hit the ground running," forgetting that this is what John Kennedy did when he ran into the Bay of Pigs, and Lyndon Johnson did when he ran into Vietnam.

All this troubles even many of his most loyal supporters.

One of his major foreign policy objectives was to persuade Mikhail Gorbachev not to use military force to achieve political objectives in the Baltic states and Eastern Europe, but he invaded Panama against his treaty commitments to the United Nations in order to capture a two-bit dictator, and he didn't know what to do with him when he caught him. Having defied the United Nations in Panama, he then relied on it in Iraq.

It was not enough for him to blockade Iraq and punish Saddam Hussein as "another Hitler," but he insisted on sending the biggest U.S. army since the last war into the desert, not wanting to use it, not knowing how to get it out and facing once more the taunts of the armchair warriors, who say he must not only restore the independence of Kuwait but also get rid of Saddam Hussein and the threat of Iraq's army as well.

This is a dangerous situation for a president dropping in the popularity polls and facing both a deficit crisis and a midterm election.

In such a pickle, a little halftime skull practice wouldn't hurt, but sometimes he's all bones and no skull, and can't sit still and think.

He is all over the lot — fighting for the rich, campaigning not only in North Carolina but in California, driving in from Camp David to conserve gas and letting his helicopter return empty, jogging in the morning and flying to the World Series in Cincinnati at night, always on the move, always pleasant and even cheerful.

He is the first president in memory who has not been able to get the votes of a majority of the members of his own party for a major bill in Congress, but he has even tolerated Newt Gingrich, the Republican whip in the House, who has not only defied the president on the budget but hasn't even had the decency to resign.

He may come smiling through and even be re-elected, but it will take him a while to recover from the planned fumbles of the first half.

The writer is a retired former Washington correspondent and former executive editor of The New York Times.

Palestinians Have Lost Credibility

By Ze'ev Schiff

TEL AVIV — Since the outbreak of the intifada in December 1987 the Israeli army has struggled to avoid a clash with the Palestinians that has religious implications. The armed forces were under orders to refrain as far as possible from entering mosques in the territories, even when those mosques were known to be a source of incitement. Despite the rise of Muslim fundamentalism, a religious conflict has been averted.

But what has been averted in the territories has occurred in Jerusalem — the most sensitive place of all — on the Temple Mount.

The new emphasis on religion has made a dangerous situation even worse. Each party believes its holy places in Jerusalem to be in danger. Each side believes that the other provoked the recent outburst.

The Jewish side says the incident started with the hurling of stones at Jewish worshipers who had come to pray at the Western Wall on Sukkot.

The Palestinians believe that a war is being waged against them. The aim, they claim, is to deprive them of their sacred mosques of Omar and Al Aqsa. In their eyes, their 21 dead are Muslims killed while worshiping near the mosques. Indeed, the Palestinians had been alerted by their leaders to defend the mosques against a group of Jewish extremists, the Faithful of Temple Mount, who have been trying for years to lay a cornerstone to the Third Temple.

The police had barred the extremist Jewish group from entering, but that was not enough. Muslim worshipers hurled stones at Jewish worshipers, but it was the Muslims who paid the price in human lives.

The UN Security Council resolution ignores the fact that the Jewish worshipers were attacked before the police opened fire. Nevertheless, Israel is wrong not to have consented to receive the secretary-general's committee of inquiry. Israel has nothing to hide. If blunders were made, and they probably were, we will get to the bottom of this.

The outburst only exposed the fallacy, widely accepted in Israel, that the uprising in the territories had died down. It was admitted that Palestinian fury was being vented at Palestinians accused of collaborating with Israel. Still, in Israel people failed to see that beneath the surface there lurked an accumulation of energy capable of exploding at any moment.

Those who were naive enough to believe that the uprising had ended did not bother to prepare for the contingency of a violent confrontation. Thus the police viewed reports of imminent clashes between Jews and Arabs as exaggerated.

The incident on the Temple Mount reminded all concerned that the Israeli-Palestinian conflict has not gone away, even though the Iraqi threat has been upstaging the Palestinian issue.

The Palestinians, more than any other group, have been siding with Saddam Hussein. When he threatened to set half of Israel on fire, Yasser Arafat expressed his support. The Palestine Liberation Organization moved some of its command to Baghdad before Saddam Hussein marched into Kuwait.

The frustration caused by the political deadlock may have engendered Palestinian support of the Iraqi leader, but why did demonstrators call on Saddam Hussein to spray Tel Aviv with chemical weapons?

The Palestinians and their leaders manifested blatant double standards when they upheld the invasion and liquidation of Kuwait. If the PLO actually regarded the peace process as a strategic objective, if in its third year the intifada leadership wished to convince Israeli public opinion of the Palestinian desire for peace, that objective has been dealt a blow.

To many Israelis, Palestinian support for Saddam Hussein was a turning point in their attitude. It can be assumed that Israel will in the future be less tolerant. This may manifest itself in clashes and in daily relations.

When the possibility of negotiations comes up again, the Palestinians may have not only a right-wing government to contend with but also an Israeli public that has suddenly found that its natural partners in a possible peace process — the Palestinians and the Jordanians — have virtually aligned themselves with the Saddam Hussein camp.

Ironically, nothing but a decisive American victory in the Gulf could offer the Palestinians an opening to a renewal of the peace process.

The writer, defense editor for the Israeli newspaper Ha'aretz, contributed this comment to The New York Times.

100, 75 AND 50 YEARS AGO

1890: Sultan's Warning

BRUSSELS — The *Independance Belge* published yesterday evening [Oct. 20] the following despatch from Constantinople: "The Sultan has drawn up a diplomatic note in reference to Kassala and the recent Anglo-Italian negotiations. In this despatch he declares that no one is entitled, without his assent, to dispose of any portion of Egyptian territory over which he is suzerain. His Majesty reminds the foreign Powers of the protest he made at the time of the occupation of Massawa by Italian troops, and refers to Tripoli, which he will defend so long as there is a soldier in Turkey or a man of war at his disposal.

1915: Cyprus Is Offered

LONDON — It is stated that the British Government has made a formal offer to the King of the Hellenes of the island of Cyprus, which shall be handed over if the Greeks agree to take the field in support of the Entente Powers. It is believed that this offer will create an excellent impression in Greece, as it will be regarded as a substantial proof of the goodwill of Great Britain, not in the form of any promise for the future, which the party favorable to Germany might suggest would not be carried out, but as an actual and present concession to be made immediately the Greeks perform their part of the engagement.

1940: Costlier Bread

MOSCOW — The Trade Commissariat ordered a 15 per cent increase, effective today [Oct. 21], in the prices of black and gray bread in Moscow and Leningrad. Moscow residents will pay one ruble for a kilogram of black bread and 1.14 rubles for gray bread. (The ruble has a nominal value of about nineteen cents, but its true purchasing power cannot be determined accurately because there is no free market.)

— From the New York edition of the New York Herald Tribune.

هكذا من الأصل

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors. October 19

Australian Dollars

Issuer	Con	Mat	Price	Yld	Spd Trsy
A B N Austral	14½	94	99½	14.49	
Anz Bk Gp	n.a.	91	84¾	41.70	
Austri Control	12¾	93	95	14.44	
Austri Control	13⅝	94	98	14.29	
Austria	14¼	92	100	13.49	
B M W Fin	14½	92	100	13.92	
B N P	14	91	99	14.78	
B N P	14	91	98¼	14.98	
B N P	12½	93	95½	14.51	
B N P	14¾	93	99¼	14.17	
B P Capital	14¾	92	97¾	14.99	
B P Capital	13¾	92	97	14.32	
B P Capital 'A'	13¾	92	96	14.90	
C B A	12⅝	93	[illegible]	[illegible]	

Canadian Dollars

ECU Straights

Yen Straights

Pound Sterling

TO OUR READERS IN BERLIN

You can now receive the IHT hand delivered to your home or office every morning on the day of publication. Contact our Frankfurt office today.

Phone: (069) 69 48 92

Fax: (069) 69 48 94

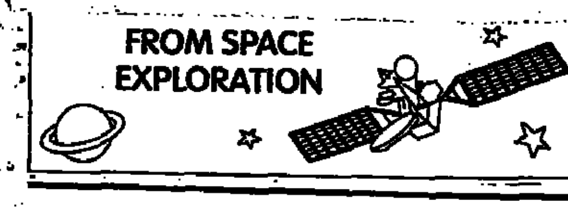
MUTUAL FUNDS

Figures as of close of trading Friday, October 19.

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

NL— No initial sales load. †—Previous day's quote. r— Redemption charge may apply. x— Ex dividend.

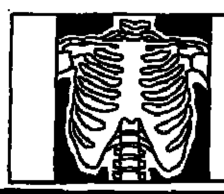
هكذا من الأصل



Herald Tribune.

BUSINESS/FINANCE

** MONDAY, OCTOBER 22, 1990 Page 11



EUROBONDS

MATIF Begins to Trade In Ecu Futures Contract

By Carl Gewirtz
International Herald Tribune

PARIS — Eurobond traders welcomed the start-up last week of a futures contract for bonds denominated in European currency units. Traded on the Paris futures exchange, the MATIF, the futures contract in principle should add liquidity to a fast-growing sector of the international capital market.

Bonds denominated in Ecus amount to the equivalent of some $60 billion, making the Ecu the fourth largest sector of the market after the U.S. dollar, the yen and the Deutsche mark.

Having a vehicle to hedge positions, traders say, should boost market liquidity by making it safer for market makers to hold inventory. Equally important, it should add liquidity to the swap market, making it easier and safer for dealers to match positions, and thereby provide the base for an increase in the volume of new issues.

Dealers expect London to try to compete for the futures business.

Dealers in Paris said the opening day's volume last Thursday totaled 4,000 contracts, double the volume that had been expected. London-based traders were more reserved, noting that it remains to be seen whether the Matif's Ecu contracts achieve the critical mass needed to fulfill the potential benefits.

London traders expressed disappointment that initially only two Ecu bonds can be accepted as delivery. These are the French state bonds, the 8½s of 1997 of which 1.88 billion Ecus ($2.57 billion) is outstanding and the 9½s of 2000, whose outstanding amount totals 1.6 billion Ecus.

Ultimately, the list of triple-A-rated bonds acceptable as payment against contracts is to be extended, French traders report. Both Italy and the European Investment Bank have issues of 1 billion Ecus that are slated to be added to the list. But London traders complain that instead of widening the list in stages the full range of bonds to be accepted for delivery should have been set out from the start.

While Paris can lay claim to the futures market thanks to the large and growing market of domestically issued Ecu bonds, British dealers expect the London International Financial Futures Exchange to try to compete for the futures business.

CHANCELLOR OF THE EXCHEQUER John Major said last week that he would consider issuing Ecu bonds "at the appropriate time." This may be sooner rather than later as Mr. Major also signaled that eight years of steadily declining public spending as a proportion of the whole economy may be coming to an end due to the economic slowdown and the government may soon be tapping the market for funds.

Meanwhile, Finnish Export Credit tapped a generally lackluster new-issue market last week by offering 100 million Ecus of three-year notes carrying a coupon of 10½ percent and priced at 101¾. Citing Swiss antipathy for Scandinavian names and concern about the liquidity of such a relatively small size, dealers said there was little demand for the paper.

But this was also true for the market overall. Although domestic government bond markets rallied sharply last week, buoyed largely by the retreat in the price of oil, Eurobond prices rose in parallel without attracting any significant follow-through from investors. Dealers report that money going into bonds is headed for the highly liquid domestic markets.

The best evidence of this trend was the development in the Eurodollar sector. Yields on outstanding triple-A-rated five-year paper declined ⅛-point to 9 percent, but the spread relative to the yields on U.S. government paper continued to widen, ending the week at 55 basis points, or just over half a percentage point, over Treasury yields. A week earlier, the spread was 48 basis points.

Yields on top-rated 10-year Eurodollar bonds also declined ⅛-point to 9½ percent, but the spread widened even further, to 68 basis points compared to 56 a week earlier.

The widening spread, affecting sovereign as well as corporate debt, reflected investor wariness about buying dollars. But corporate debt was especially hard-hit, reflecting worries about credit risk as the U.S. economy heads for a recession.

The five-year ECCT issue, paper collateralized by Citibank credit-card receivables and marketed a week earlier to yield 99 basis points over the benchmark rate, traded last week at a spread of 120 basis points before narrowing back to a spread of 113 basis points.

The outstanding GMAC 9 percent issues due in 1996 ended the week at a spread of 137 basis points compared to the previous week's 118 basis points.

Against this background, the European Investment Bank asked banks to bid on terms for a seven-year issue of $300 million. Half a dozen banks competed, saying the paper should

See EUROBONDS, Page 13

Surge in Crude Prices Is No Boon to Big Oil Yet

By Mark Potts
Washington Post Service

WASHINGTON — During the oil crises of the 1970s, about the only thing bigger than oil company profits was the outcry they provoked.

But this time, things are different. Gasoline prices may be soaring, but oil company profits are not.

Although crude oil prices have soared since Iraq invaded Kuwait on Aug. 2 — at times touching more than $40 a barrel compared with less than $20 previously — shrewd management, good timing and changes in the oil industry are expected to limit the size of the third-quarter profits that major oil companies are to announce this week.

Earnings at the largest oil companies are expected to be up only slightly or flat, and some, including Mobil Corp., are expected to report declines. Amoco Corp., the fifth-largest U.S. oil company, reported a 13 percent drop in third-quarter operating earnings Thursday.

One key reason for the modest results, industry analysts say, is that politically astute oil companies have responded to President George Bush's call for restraint by not raising the prices of gasoline and other products as quickly as crude oil costs have gone up. That has caused many companies' downstream refining and marketing divisions to operate at a loss for much of the quarter.

Those losses have offset gains in most of the companies' crude oil production operations. But even those upstream profits have been limited, because most of the hefty crude price increases came late in the quarter that ended Sept. 30. In addition, most major oil companies control less crude than they did a few years ago, forcing them to buy from others for their refineries.

Overall, said Eugene Nowak, an analyst at Dean Witter Reynolds Inc. in New York, oil companies' third-quarter earnings will be "surprisingly poor in terms of what the public perception has been."

He predicted major U.S. and international companies "will essentially have flat-to-down earnings."

This year's results will be in sharp contrast to oil-company profits in the previous oil crises, in 1973-74 and 1979-80. In those periods, the profits of major oil companies doubled and tripled as oil prices rocketed. The huge profits set off public and political firestorms that led to stiff oil price controls after the first crisis, and a "windfall profits" tax after the second.

Among the biggest oil companies, Exxon Corp.'s third-quarter earnings generally are expected to be flat compared with last year's, Texaco Inc. and Atlantic Richfield Co. are expected to have slightly better results, and Mobil and Chevron Corp. are expected to post lower profits.

Threat Is Seen To GATT

EC Disagreement Could Sink Talks

Compiled by Our Staff From Dispatches

PARIS — The four-year round of negotiations to liberalize world trade is threatened with collapse as a result of the European Community's failure to accept even a modest plan to reduce farm subsidies, officials from the United States and many other nations say.

These officials say the inability of the 12 EC nations to agree among themselves to put forward a proposal to cut agricultural subsidies is making it more difficult to complete the global GATT trade talks with a deadline less than seven weeks away.

EC foreign ministers will try to strike a compromise on Monday. The ministers had intended to spend their regular monthly meeting in Luxembourg preparing for next weekend's special EC summit meeting in Rome.

But deep divisions over how much to cut farm handouts are likely to dominate the talks, and perhaps the summit meeting, too.

Until the EC "can come forward with an offer, there is no basis for negotiations, and time is running out," said Julius Katz, the deputy U.S. trade representative. "I don't know at what point the situation becomes desperate, but we're getting there."

President George Bush said the talks under the General Agreement on Tariffs and Trade, which involve agriculture and 14 other major areas, are his highest trade priority. But Mr. Bush, along with officials from Canada, Argentina, Australia and several other nations, have threatened not to sign a comprehensive trade pact unless they win substantial cuts in farm subsidies.

The EC Commission has proposed reducing farm subsidies by 30 percent over 10 years, but on Friday badly divided farm ministers refused to back the plan.

"It's a brave man who says we can pick up all the pieces in time" for the December deadline, said a GATT official. *(NYT, Reuters)*

Fiat Hints At Chrysler Link-Up

Agence France-Presse

VENICE — The chairman of Fiat SpA, Giovanni Agnelli, said over the weekend that there was a "possibility" of a deal between the Italian vehicle group and the U.S. carmaker Chrysler Corp.

Speaking to journalists here, Mr. Agnelli said that "there is a possibility of an industrial and commercial agreement with Chrysler."

Mr. Agnelli said the American automaker "has a *few* products which interest us," especially in the minivan sector, but declined to go into further details.

Chrysler, the No. 3 U.S. automaker, has a marketing agreement to sell Fiat's Alfa Romeo sports cars in the United States. But rumors of a broader link-up between the two have been persistent — at times, the idea has been raised by top Chrysler executives.

Saturday's comments marked the first time the Fiat chairman has not dismissed as "unfounded" the possibility of such an accord.

Mr. Agnelli was speaking on the sidelines of a Trilateral Commission meeting of representatives from Europe, North America and Japan.

Consumer Credit Problems Loom in U.S.

By Joel Glenn Brenner
Washington Post Service

WASHINGTON — When Mark Young graduated from the University of Maryland, he had just $300 in his checking account, and no money to pay for graduate school at Stanford, where he had just been accepted. But the 22-year-old was far from broke. With $5,000 in credit on his MasterCard and Visa credit cards, Mr. Young had no trouble paying for his first semester at Stanford last year. He charged it.

Mr. Young finished his graduate program with the help of a scholarship, but he hasn't found a job, and therefore has no money to pay off his credit card accounts.

He symbolizes a potential threat to the health of banks and savings and loans in the United States — the possibility that in a weakening economy, more individuals will have trouble paying their bills, making bad credit card and other forms of consumer debt a larger problem for financial institutions.

Burned by mounting losses on Third World loans, junk bonds and unsuccessful real estate deals, bankers have plunged deeper into the safe haven of consumer lending over the past decade.

The American public has responded eagerly to the banks' blandishments of easier personal credit. Americans' unpaid credit loans have grown to $795 billion from $300 billion in 1980.

That makes Mark Young a rather typical credit card user. In fact, his semester at Stanford cost less than the consumer debt now carried by the average American household — $7,500, which includes car loans.

"Consumers are more vulnerable to credit-related financial problems than they have been in decades," said Robert W. Johnson of the Credit Research Center at Purdue University.

The debt the public has incurred helped fuel the boom of the 1980s, which was built largely on consumer spending. Now, outstanding debt totals 18 percent of after-tax income, the highest it has been since World War II. But if borrowing helped the expansion, Mr. Johnson said, it could become "a tremendous liability in a time of contraction."

So far banking regulators have noted only a slight rise in consumer delinquency rates. But they are carefully monitoring consumer lending and are asking bankers to do the same.

Consumers themselves appear to be slowing their use of credit already. In August, the last month for which figures are available, consumer credit rose at a modest 3.4 percent annual rate, the Federal Reserve Board reported.

The unfolding economic slowdown is beginning to force consumers to delay paying their bills. Personal bankruptcies are at a record level.

Bankers, too, are heeding the warning signs in the economy. Although they continue to extend additional amounts of credit, they are doing so at a slower rate than in the mid-1980s.

But recently released statistics show the unfolding economic slowdown is beginning to force consumers to delay paying their bills. Personal bankruptcies in the first half of 1990 are at a record level, according to the administrative office of the U.S. Courts.

Never before has the economy entered a broad slowdown with so much debt. Normally, during a long economic expansion, the debt burden for governments, corporations and consumers diminishes. But not in the 1980s.

Today's record level of consumer debt is matched in the corporate sector, where debt amounts to more than 46 percent of corporate capital, up from 34 percent a decade ago, according to the Purdue Credit Research Center.

Much of the increase in consumer debt was sparked by a tremendous sales effort, credit experts said. To stimulate profits, banks, S&Ls and other consumer lenders began aggressively marketing debt, relaxing standards and extending credit to almost everyone, including millions of Americans like Mark Young who have few assets. Many, like Mr. Young, have happily taken advantage of what was offered.

For example, in the first eight months of 1990, a McLean, Virginia, couple received unsolicited credit card offers with credit lines totaling $53,000. Although the couple, who asked not to be identified, already had four credit cards, Chase Manhattan, Manufacturers Hanover, Citibank, American Express and Discover all offered more.

Growth of the use of credit cards has been encouraged by the range of retailers and service-providers that now accept them. For example, the U.S. Department of Labor accepts MasterCard and Visa in its cafeteria. The Internal Revenue Service allows Americans to charge their taxes. A majority of doctors, dentists and hospitals in the United States accept credit card payments.

The combined unpaid balance on all outstanding cards is on the rise, averaging $2,042 per card holder — up from $931 in 1980. Part of the increase can be explained by the effects of inflation.

The banking industry reported $3.7 billion in net bank card and related credit losses in 1989, up from $3.3 billion in 1988, according to the American Bankers Association. A recent ABA report showed that nearly half of all credit card losses are attributable to personal bankruptcy,

See CREDIT, Page 14

Weak Dollar May Have a Silver Lining

By Carl Gewirtz
International Herald Tribune

PARIS — "The United States is in a pickle," says J.P. Morgan's chief economist, Rimmer de Vries, noting that the U.S. economy is poised to slide into recession this winter and there are "no policy tools available" to change direction and stimulate growth.

However, the dollar's slide may ultimately turn out to be a blessing in disguise.

Mr. de Vries sees the economy expanding at an annual rate of some 1 percent in the current quarter and then slipping "to virtually no growth for a number of quarters" under the weight of a relatively tight monetary policy and a contractional budget policy.

"This is good news," he insists. "It's the only way to calm inflationary pressures" and re-orient the nation to a more internationally competitive, export-driven economy.

"We need to make room in the domestic economy for an increase in net exports," he says, adding that this transition will be facilitated by the continuing decline of the dollar.

The dollar touched a new low of 1.4970 Deutsche marks before ending last week at 1.5015 DM. The dollar also hit a two-year low of 124.35 yen before closing the week at 125.95 yen. Dealers do not rule out the possibility of a dollar bounce after its sharp recent falls before weakening again, particularly against the yen.

The declining dollar "is the one instrument the United States has to help moderate the economic downturn by stimulating exports," says Mr. de Vries.

Like other economists, Mr. de Vries is encouraged by the diversity of national economies in the current business cycle. While the United States is entering recession, Australia, Canada and Britain appear to be emerging from one and West Germany and Japan are still near the top of the cycle with strong growth.

C. Fred Bergsten, head of the Washington-based Institute for International Economics, notes that "this is first nonsynchronized global cycle since the 1960s and lucky we all are for it." He says the staggered cycle virtually eliminates the risk that the U.S. recession and the increased oil price will create a worldwide downturn.

In his days as assistant treasury secretary under President Jimmy Carter, Mr. Bergsten was a strong proponent of the "locomotive" theory of expanding domestic growth in Germany and Japan as a means of pulling the United States out of a recession. That locomotive now seems to be in operation.

Mr. de Vries observes that this creates "a constructive, healthy, manageable environment" in which to restructure the U.S. economy.

However, one element that could upset this upbeat outlook for the United States is the market-induced credit crunch now under way.

"It's hard to measure, but it's a

See DOLLAR, Page 13

Lufthansa Sets New Plan For Takeover of Interflug

Reuters

FRANKFURT — Deutsche Lufthansa AG has proposed to the Bonn government that it take over the former East German carrier Interflug, according to Lufthansa's management board chairman, Heinz Ruhnau.

In an interview with the newspaper Welt am Sonntag, Mr. Ruhnau said Lufthansa proposed to restructure Interflug first, then let Bonn evaluate the airline and set a price. Lufthansa, which is 52 percent government-owned, then could purchase Interflug.

A Lufthansa spokesman confirmed the plan.

In March, Lufthansa applied for government approval to acquire up to 26 percent of Interflug. But government officials and the cartel office said such a move could give Lufthansa an unfair competitive advantage in the German air travel market.

Lufthansa withdrew its application on Oct. 16.

CURRENCY RATES

Cross Rates

Oct. 19

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.689	3.323	1.1272	0.3364	0.1506 *	—	5.471 *	1.3341	1.3361 *	1.4545	1.795 *
Brussels	30.86	60.76	20.594	6.145	2.7471 *	18.2675	—	24.366	24.445	26.4475	32.705 *
Frankfurt	1.5048	2.947	—	0.2985	0.1334 *	0.8872	4.857 *	1.1862	1.1865 *	1.2800	1.592 *
London (a)	1.963	—	2.9463	9.8780	2,209.80	3.327	60.67	2.4880	246.59	2.2900	185.15
Madrid	94.632	185.2885	62.908	18.744	8.381 *	55.794	3.0805	74.52	74.42 *	80.65	—
Milan	1,128.25	2,210.85	748.48	223.73	—	664.97	36.383	888.88	8.902	960.80	11.93
New York (b)	—	1.9595 a	1.5015	5.0275	1,124.50	1.684	30.915	1.267	125.95	1.1728	94.295
Paris	5.0515	9.8825	3.3502	—	0.447 *	2.9726	0.1627	3.9758	3.98 *	4.322	5.3349 *
Tokyo	124.15	244.64	83.15	24.82	0.1109	73.78	4.04	98.05	—	105.88	1.3272
Toronto	1.1726	2.296	0.7807	0.2332	1.041 *	0.6927	3.79 *	0.924	0.9309 *	—	1.242 *
Zurich	1.2677	2.4894	0.8433	0.2515	0.1126 *	0.7443	4.0954 *	—	1.0016 *	1.0857	1.3385 *
1 ECU	1.3648	0.6961	2.0594	6.9083	1,543.69	2.3213	42.4161	1.736	173.257	1.5936	129.346
1 SDR	1.442	0.7368	2.1699	7.2844	N.Q.	2.45	N.A.	1.8386	179.243	1.6909	136.432

Closings in London and Zurich, fixings in other centers. New York closing rates. Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5380.0	Greek drac.	151.45	Mex. peso	2905.00	S. Afr. rand	2.5375
Austral. $	1.297	Hong Kong $	7.7768	N. Zealand $	1.6653	Soviet ruble*	0.5544
Austr. schil.	10.59	Indian rupee	18.083	Norw. krone	5.856	Swed. krona	5.596
Brazil cruz.	93.61	Indo. rupiah	1864.00	Phil. peso	25.49	Taiwan $	26.79
Chinese yuan*	4.72	Irish £	0.562	Port. escudo	132.50	Thai baht	25.03
Danish krone	5.743	Israeli shek.	1.9739	Saudi riyal	3.7495	Turkish lira	2703.00
Egypt. pound	2.7534	Kuwaiti dinar	n.a.	Sing. $	1.7025	UAE dirham	3.6725
Fin. markka	3.573	Malay. ring.	2.694	S. Kor. won	715.90	Venez. boliv.	49.05

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.9475	1.9381	1.9301	Canadian dollar	1.1707	1.1749	1.1783
Deutsche mark	1.5048	1.5045	1.5035	Japanese yen	127.10	127.10	n.a.
Swiss franc	1.2686	1.2685	1.2684				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Oct. 19	Oct. 12	Ch'ge
DJ Indus.	2,520.79	2,398.02	+ 5.12 %
DJ Util.	209.88	205.86	+ 1.95 %
DJ Trans.	868.16	829.70	+ 4.64 %
S & P 100	300.10	284.23	+ 5.58 %
S & P 500	312.48	300.03	+ 4.15 %
S & P Ind	367.42	351.52	+ 4.52 %
NYSE Cp	170.40	164.42	+ 3.63 %
Britain			
FTSE 100	2,089.00	2,100.40	— 0.54 %
FT 30	1,629.90	1,620.10	+ 0.60 %
Japan			
Nikkei 225	24,481.	22,390.	+ 9.34 %
West Germany			
DAX	1,482.09	1,459.70	+ 1.53 %
Hong Kong			
Hang Seng	2,991.95	2,915.26	+ 2.63 %
World			
MSCIP	466.40	442.60	+ 5.37 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	Oct. 19	Oct. 12
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds rate	7¾	7¾
Japan		
Discount	6.00	6.00
Call money	7 23/32	7 19/32
3-month interbank	8 1/16	8⅛
West Germany		
Lombard	8.00	8.00
Call money	8.10	8.10
3-month interbank	8.40	8.40
Britain		
Bank base rate	14.00	14.00
Call money	14.00	14.00
3-month interbank	13¾	13 11/16

Gold	Oct. 19	Oct. 12	Ch'ge
London p.m. fix $	372.00	388.25	— 4.19 %

OPEC Urges Cooperation With Clients

Leading officials and oil company executives from producing and consuming nations gathered in Jakarta last week for an energy conference. Subroto, secretary general of the Organization of Petroleum Exporting Countries, discussed the oil outlook with Michael Richardson of the International Herald Tribune.

Q. Oil prices have doubled since the Iraqi invasion of Kuwait on Aug. 2. Are you concerned that if the Gulf crisis ends, there will be a sharp fall in prices?

A. If we do nothing, I think that will happen. We must work out a system to prevent prices from rising too high to avoid contraction of demand and another slump.

Q. What is the outlook for supplies of oil and prices over the next few months?

A. It is claimed in consumer quarters that oil is in abundant supply. But the picture is a deceptive one.

According to OPEC's in-house calculations, in the absence of a stock drawdown by consumers, there will be a shortage of around 1.5 million barrels per day in the fourth quarter of this year. Other studies indicate that the expected shortage will be about 1.8 million barrels.

We also have to take into account the possibility of a severe winter in the northern hemisphere, further reductions in net oil exports of the Soviet Union and centrally planned economies, and further accidents or labor unrest in the oil industry.

OPEC has already acted to reduce the danger of an oil shortage by increasing its production capacity to the limits currently possible. The ball is now in the consumers' court; it is up to them to bolster the market's defense against an impending energy shortage by drawing down their stocks.

•

Q. Are you encouraged from the informal talks you held here with a representative of the International Energy Agency that the attitude of the 21 Western industrial nations in the agency will change, opening the way for an early meeting with OPEC?

A. We are seeking wider cooperation between oil consumers and producers. Cooperation between OPEC and the IEA is only one aspect of it. The objective is not to fix prices but to have a better understanding of each other and to exchange information so that there is transparency in the market.

We are looking for support in principle among major consumers and producers. Then we can work out a program for cooperation.

The current market situation has highlighted another aspect of the need for trilateral cooperation involving producers, oil companies and governments of oil consuming countries, namely the prevention of steep price increases and damaging price fluctuations, or both.

Q. Why should oil consumers work more closely with OPEC?

A. It is generally acknowledged that the overwhelming bulk of the world's remaining recoverable oil reserves of some 1 trillion barrels are located in the 13 member countries of OPEC, especially in the Middle East. In 1980, OPEC's percentage of total world reserves was 66 percent. This year, that percent-

See SUBROTO, Page 14

INTERNATIONAL BusinessWeek

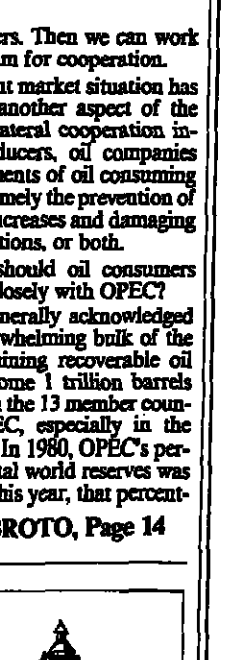
This week's topics:

- The Best B-Schools: All New Ranking
- Workers Want Share Of Europe Inc.
- Japan's Kingmaker Heads Overseas
- Motorola Spends Big To Stay On Top
- Can Ford Turn Jaguar Into A Tiger?

Now available at your newsstand!

BusinessWeek International
14, av. d'Ouchy, CH-1006 Lausanne, Tel. 41-21-617 4411
For subscriptions, call toll-free:
France 19-0590-8514 and UK 0800/289137.

The Carlyle Hotel



Discerning visitors to New York select The Carlyle, one block from Central Park, for its consistent excellence. Each guest accommodation has a dedicated line FAX, color cable TV, VCR, stereo and CD player. A new Fitness Center is available for our guests.

A proud recipient of the Mobil Five-Star Award for 22 consecutive years.

Madison Avenue at 76th Street
New York 10021
Cable The Carlyle New York
Telex 620692
Telephone 212-744-1600
FAX 212-717-4682

Member of The Sharp Group since 1967

Mezzanine Capital Corporation Limited

Notice to the holders of the fully paid Bearer Depositary Receipts ("BDRs") evidencing Participating Redeemable Preference Shares of US 1 cent each ("Shares") of Mezzanine Capital Corporation Limited (the "Company")

Notice of Dividend and Capital Repayment

NOTICE IS HEREBY GIVEN to the holders of the BDRs that the Company has declared a final dividend for the financial year ended 31st May, 1990 of US$0.2260 per share. The BDRs are denominated in multiples of units ("Units"). Each Unit currently comprises 35 Shares. The dividend is, therefore, equivalent to US$7.91 per Unit.

The Company has also given notice that it intends to redeem an aggregate of 198,000 Shares at a price of US$13.12 per share. This will involve the redemption of 2 Shares in respect of each Unit and this capital repayment is equivalent to a further US$26.24 per Unit.

In accordance with Condition 8(B) of the conditions endorsed on the BDRs the number of Shares comprising a Unit will, following the redemption, be adjusted from 35 to 33. The number of units evidenced by each BDR will remain unchanged.

Payment of this dividend and of the capital repayment will be made, subject to receipt thereof by Manufacturers Hanover Bank (Guernsey) Limited ("the Depositary"), against surrender of Income Coupon No. 13 (INC No. 13) and Redemption Coupon No. 13 (RED No. 13) respectively, at the specified office of the Depositary or of any of the Paying Agents (set out on the reverse of the BDRs and at the foot of this Notice), at any time on or after 23rd October, 1990.

Payment will, in each case, be made, subject to any laws and/or regulations applicable thereto, by dollar cheque drawn upon, or at the option of the holder of the relevant Coupon, by transfer to a dollar account maintained by the payee with, a Bank in New York City.

Copies of the Company's Annual Report may be obtained from the Depositary and Paying Agents.

BDR holders are advised that as a result of the capital repayment of US$26.24 per unit, the net asset value per unit of the company will be reduced from US$457.60 to US$431.36. BDR holders should note that the price per unit quoted on the London Stock Exchange will adjust accordingly.

Depositary and Principal Paying Agent
Manufacturers Hanover Bank (Guernsey) Limited,
Manufacturers Hanover House, Albert House, PO Box 92,
South Esplanade, St. Peter Port, Guernsey, Channel Islands

Paying Agents
Bankers Trust Luxembourg S.A.,
14 Boulevard Roosevelt, Luxembourg, Grand Duchy of Luxembourg
Manufacturers Hanover Trust Company,
Bockenheimer Landstrasse 51-53,
D 6000 Frankfurt-am-Main 1, West Germany
Manufacturers Hanover Trust Company,
The Adelphi, John Adam Street, London WC2N 6HT
Manufacturers Hanover Trust Company,
Edinburgh Tower, 43rd Floor,
15 Queens Road Central, Hong Kong
Morgan Guaranty Trust Company of New York,
14 Place Vendôme, 75001 Paris, France

St. Peter Port, Guernsey
Dated 22nd October, 1990

by: Manufacturers Hanover Bank (Guernsey) Limited
Depositary

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, October 19.

	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
A							
A&W Bd			4396	27	24¾	26⅝	+1⅛
ABS	.32	5.3	115	6½	6	6	–1
ACC Cp	.16	3.4	1330	5⅝	4⅝	4¾	–½
ADC			3319	19	16½	16⅝	–1⅝
ADT			25445	24½	20⅝	23¼	–⅝
AEL			1014	5	4⅝	4⅝	–⅛
AEP s			224	7⅝	7¼	7½	+¼
ASK			2743	5⅝	5⅛	5⅝	+⅜
AST			47701	19	14⅞	18⅝	+2⅝
AcmRt	.10	1.1	315	9	8⅝	9	
AbingB	.081		105	2⅛	2	2	–1
AbeLinc			151	1⅝	1⅜	1⅝	+
Acadin			5384	1⅝	1⅛	1⅝	
Accel	.20b	3.0	45	6¾	6¼	6¾	
Aclaim			4328	6⅝	5⅝	5⅝	–⅜
Acelo	.14b	1.2	53	11¼	10¾	11	+¼
ACMT			8	12¼	11¾	11¾	–⅜
AcmeSt			813	14½	14	14	
ActARt			1730	2⅝	2⅜	2½	+¼
ActnSv	.16l		112	1¼	¾	¾	–¼
Acxiom			127	16⅝	15½	16¼	+½
AdacLb	.04l		7511	⅞	¾	⅞	+⅛

(Continued on next left-hand page)

هكذا من الأصل

New International Bond Issues

Compiled by Andrew S. Register

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Equitable Capital DHO	$110	2000	0.80	100	—	Over 6-month Libor. Senior debt callable at par from 1995. Fees 0.50%. Denominations $100,000. (Kidder Peabody Int'L)
Equitable Capital DHO	$15	2000	1¾	100	—	Over 6-month Libor. Second priority callable at par from 1995. Fees 0.50%. Denominations $100,000. (Kidder Peabody Int'L)
Ferrovie dello Stato	FF 1,000	1995	0.02	100	100.08	Over 3-month Pibor. Callable at par from 1993. Fees 0.15%. (Crédit Commercial de France.)
Canadian Imperial Bank of Commerce	Y 2,000	1991	15¼	101⅛	—	Noncallable. Redemption amount at maturity will be linked to the performance of the Nikkei 225 stock index. Fees 1⅛%. Denominations 10 million yen. (New Japan Securities Europe.)
Canadian Imperial Bank of Commerce	Y 1,000	1991	15	101⅛	—	Noncallable. Redemption amount at maturity will be linked to the performance of the Nikkei 225 stock index. Fees 1⅛%. Denominations 10 million yen. (New Japan Securities Europe.)
Fixed-Coupons						
European Investment Bank	$300	1997	9¼	99.46	99.94	Noncallable. Fees 0.10%. Denominations $10,000. (S.G. Warburg Securities.)
Japan Highway Public Corp.	$190	2000	9½	101⅝	101⅞	Semiannually. Noncallable. Fees 2%. (LTCB Int'L)
Nordanken	$40	1996	6.85	101⅞	—	Interest until March, 1991 will be 31%. Noncallable. Fees 1⅜%. (IBJ Int'L)
IBM Int'l Finance	FF 750	1993	10½	101⅜	100⅛	Noncallable. Fees 1⅜%. (Crédit Commercial de France.)
Fokker	NLG 200	1997	10	101.95	—	Noncallable. Fees 1%. (Algemene Bank Nederland.)
Société Générale	ITL 150,000	1994	12⅞	101	99.37	Noncallable. Fees 1⅝%. (Credito Italiano.)
Finnish Export Credit	ECU 100	1993	10½	101¾	100⅝	Noncallable. Fees 1⅜%. (Merrill Lynch Int'L)
GMAC Australia Finance	Aus$ 75	1993	14	101.70	100.33	Noncallable. Fees 1½%. (Hambros Bank.)
Abbey National Treasury Services	Y 15,000	1994	8	101¼	—	Noncallable. Fees 1⅝%. (Daiwa Europe.)
Finnish Export Credit	Y 30,000	1992	8	101.075	—	Noncallable. Fees 1⅛%. (Nomura Int'L)
Mitsui Real Estate Development	Y 5,000	1995	8½	101½	—	Noncallable. Fees 1⅝%. Denominations 10 million yen. (Nomura Int'L)
Mitsui Real Estate Development	Y 5,000	1995	8¼	101¼	—	Semiannually. Noncallable. Fees 1⅝%. Denominations 10 million yen. (Nomura Int'L)
World Bank	Y 50,000	1995	7⅝	101.55	—	Noncallable. Fees 1⅝%. (Daiwa Europe.)
Equity-Linked						
Bando Chemical Industries	$100	1994	5	100	114½	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 569 yen per share and at 129.20 yen per dollar. Fees 2¼%. (Nomura Int'L)
Citizen Watch	$200	1994	4⅝	100	105	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at 886 yen per share and at 129.20 yen per dollar. Fees 2¼%. (Nikko Securities Europe.)
Fujitec	$100	1994	4⅝	100	108½	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,333 yen per share and at 126.50 yen per dollar. Fees 2¼%. (Nomura Int'L)
Mizuno	$100	1994	4⅝	100	107½	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,620 yen per share and at 127.30 yen per dollar. Fees 2¼%. (Nomura Int'L)
Mizuno	DM 70	1994	5	100	—	Noncallable. Each 5,000-mark note with 5 warrants exercisable into company's shares at 1,620 yen per share and at 84.18 yen per Deutsche mark. Fees 2¼%. (Nikko Securities Deutschland.)
Unitika	DM 75	1994	5⅛	100	—	Noncallable. Each 5,000-mark note with one warrant exercisable into company's shares at 477 yen per share and at 84.97 yen per deutsche mark. Fees 2¼%. (Daiwa Europe Deutschland.)

EC Currency Club Still Closed

Reuters

BRUSSELS — Formal entry to the European Community's currency club will remain closed to outsiders for the time being, despite Norway's firm knock at the door last week, senior EC officials said during the weekend.

Norway, which is not an EC member, announced on Friday that it will shadow the exchange-rate mechanism of the European Monetary System by keeping the krone within a 2.25 percent margin of a central rate for the Ecu, or European Currency Unit.

Some Norwegian politicians suggested that the link was a first step toward formal association with the EMS. Norway previously held the krone in a band against a basket of currencies including the dollar, the yen and the Swedish krona.

All 12 EC currencies are EMS members, but the Greek drachma and the Portuguese escudo are outside its Exchange-Rate Mechanism.

EC officials said Norway's announcement confirmed that after nearly a year of debate, the Community is not yet ready to grant formal associate EMS membership to currencies outside the Community.

"Norway did this because we told them they could not be associate members," said a top EC official. Britain's decision to join the exchange-rate mechanism two weeks ago may have encouraged Oslo to link up to the EMS in a more informal way, he added.

The Swedish government, reeling from high interest rates and a sagging currency, will now be under pressure to follow its Scandinavian neighbor. "The question is, what will the Swedes do?" asked the EC official, who is involved in high-level consultations on the question of associate membership.

Both Norway and Sweden were formally linked to the first EC attempt at an exchange-rate system in the early 1970s, the so-called currency snake. But no associate members have been admitted to the EMS since it was formed in 1979, although the currencies of Austria and Switzerland closely track the mark.

Norwegian Prime Minister Jan Syse discussed a formal EMS tie during a visit in January to Brussels, and the Norwegian government submitted a list of questions on how it might work.

At almost the same time, Austria was sounding out the Community on the same question and in April, EC finance ministers briefly discussed it at Ashford Castle in Ireland.

"It became clear at Ashford Castle, and later on, that member states found that it would complicate things enormously to let third country currencies formally associate," said another EC monetary official.

The three-stage blueprint for monetary union put forward by the EC Commission president, Jacques Delors, calls for the EMS to be folded into a new central EC banking system and currency union, perhaps as early as 1995.

Supply Worries Treasury Market

Compiled by Our Staff From Dispatches

NEW YORK — A steep fall in oil prices boosted the U.S. Treasury market last week, but a big supply of new securities this week could blunt the rally, analysts said.

The price of crude dropped more than $3 a barrel on Friday, a move that dealers attributed to remarks by Iraq's first deputy prime minister, Taha Yasin Ramadan, that indicated a willingness to seek a peaceful solution to the Gulf crisis.

The Treasury's benchmark long bonds, the 8.75 percent issue maturing in August 2020, ended the week offered at 100, up 22/32 on the day. The yield tumbled to 8.74 percent from 8.81 percent the day before and 8.95 percent a week ago.

"Earlier in the week we found investment portfolio managers shifting out of the front end into the intermediate and longer maturities," said William V. Sullivan Jr., senior vice president at Dean Witter Reynolds. "The Street has gobbled up a lot of paper as well as flattened the yield curve this week, which are welcome developments."

That was welcome because the Treasury debt market faces an avalanche of new issues.

Aside from the $19.2 billion of weekly bills up for auction on Monday, an increase of $400 million, the Treasury plans to sell $12 billion of two-year notes on Wednesday. The auctions depend on Congress increasing the debt

U.S. CREDIT MARKETS

ceiling, which in turn is tied to a deficit-reduction package.

"The next two weeks we're going to be focusing on supply," said Norah Hughes, a trading manager at SBC Government Securities Inc. "Any jitters on the Middle East with supply coming, we'll get a bit of a setback."

"We have a tremendous build-up of short paper," said Joel Kazis, managing director at Smith Barney, Harris Upham and Co.

The outstanding two-year notes, the 8⅛'s of 1992, traded late Friday at 100 17/32, up 4/32, to yield 7.82 percent.

If President George Bush approves the deficit-reduction package by his new deadline of Wednesday, then the Treasury also will auction $10.75 billion of one-year bills, which were to have been sold last Thursday.

As it was, the Treasury on Friday auctioned $12.5 billion of 69-day cash management bills at an average discount rate of 7.37 percent.

The shifting of positions from the nearby maturities to the long end could mean that the market has already discounted an easing by the Federal Reserve in the near future.

Also, the willingness of investors to move into longer maturities at a time when Japanese and other major foreign investors are reportedly hesitant to do so indicates a belief that interest rates are headed lower.

As for the Fed, it added $1 billion of reserves to the banking system through customer repurchase agreements. Dealers said this was somewhat surprising because the system was amply supplied with funds.

They pointed out that the federal funds rate that banks charge each other for temporary loans was trading at 7⅞ percent, below the Fed's perceived target of 8 percent, at the time the Fed intervened.

(Reuters, NYT)

BUSINESS BRIEFS

Bonn Sees 1991 Growth of 2% to 3%

BONN (AFP) — The German economy is likely to grow by 2 percent to 3 percent next year, Economics Minister Helmut Haussmann said.

He said Saturday that a prediction last week of a 1.5 percent growth rate by Germany's five major economic institutes was "pessimistic." Growth this year is expected to be 2 percent.

In a report to the government publicized Friday, the institutes predicted that growth in former West Germany would drop from 4 percent in 1990 to 2.5 percent in 1991, while the economy of former East Germany would contract by 15 percent this year and 10 percent in 1991.

Beijing and Seoul Swap Trade Offices

SEOUL (Reuters) — South Korea and China have taken a first step toward normal relations by agreeing to exchange trade offices.

The announcement Saturday was widely anticipated. Although the offices will be the first permanent missions between the two nations, China and South Korea have active, if mostly indirect, trade relations.

France's TGV Seen Favored in Korea

SEOUL (AFP) — France's train à grande vitesse seems to be favored by the South Korean government over Japan's Shinkansen train for the high-speed rail line to be built between Seoul and Pusan, observers said.

A government source who asked to remain anonymous said Saturday that the government had "opted" for the TGV. A French diplomatic source, however, emphasized that the call for tenders for the 400-kilometer (250-mile) project had not been issued yet.

TI Posts $7 Million Loss for Quarter

DALLAS (NYT) — Texas Instruments Inc., one of the largest U.S. makers of memory chips, said it had a loss of $7 million in the third quarter, compared with a profit of $65 million in the year-earlier period. Revenue rose 7 percent, to $1.68 billion from $1.57 billion.

Falling memory chip prices, rising spending on new technology and chip plants as well as a temporary shutdown of its Philippine chip-making plant after an earthquake in July contributed to the loss, the company's chairman and chief executive, Jerry R. Junkins, said Friday.

Sanwa Is Seen in Shanghai Venture

TOKYO (UPI) — Sanwa Bank Ltd. will establish a financing venture in Shanghai with one Hong Kong and two Chinese institutions, Japanese news reports said Sunday.

The reports said an agreement will be signed Wednesday by Sanwa and the Bank of China, the Communications Bank of China and Hong Kong's Bank of East Asia. The new firm will be capitalized at $10 million, which will be shared equally by the four partners, the reports said.

Head of Brazil's Oil Company Quits

RIO DE JANEIRO (AP) — The president of Brazil's state oil company, Petrobras, has resigned, saying the government was "squeezing" the company by keeping oil prices artificially low to suppress inflation.

"The government is using Petrobras as a smokescreen to cover up for economic problems," the executive, Luis Octavio da Motta Veiga, said at a news conference Friday.

Hanoi Prosecutes 22 in Fraud Case

HANOI (Reuters) — Twenty-two people are on trial in Ho Chi Minh City for alleged involvement in a financial scam that led to the collapse this year of Vietnam's new unregulated credit system.

The Lao Dong newspaper said Saturday that Nguyen Van Mnoi Hai, former director of the Thanh Huong Perfume Factory, and 21 others went on trial on Oct. 16. Mr. Muoi Hai was arrested earlier this year for allegedly running an illegal pyramid system in which he paid investors with money invested later by others.

EUROBONDS: *Paris Begins Trading Ecu Contract*

(Continued from first finance page)

be priced to yield 55-to-60 basis points over Treasury rates. The winner was S.G. Warburg, landing its first lead management of a Eurodollar in two-and-a-half years by proposing a spread of 52 basis points.

With the other major banks unlikely to accept an invitation to join an underwriting group at terms lower than they had proposed, Warburg took the entire issue itself and offered banks who wanted paper a position in the selling group for a commission of 10 basis points. Warburg said just under one-third of the issue was taken by banks joining the selling group and that by week's end the bulk of the issue had been placed.

The paper was priced at 99.46 but thanks to the late week rally in domestic markets it ended at 99.94, a spread of some 53 basis points.

Japan Highway Public Corp. issued $190 million of 10-year bonds carrying a coupon of 9½ percent and priced at 101⅝ to yield 55 basis points over Treasury rates. This was sold almost entirely in Japan. Bankers reported some demand from investors who expect U.S. interest rates to fall and who are willing to gamble that the currency is not far from its floor against the yen.

With the yen appreciating and Japanese domestic bond rates falling, dealers reported good demand for the World Bank's 50 billion yen of five-year notes offered at 101.55 and carrying a coupon of 7⅝ percent. Less the 1⅝ percent fees, the paper offered a yield pick-up of two basis over the World Bank's outstanding issue.

Finnish Export issued two-year notes priced at 101.075 and carrying a coupon of 8 percent. The size of the issue was increased to 30 billion yen from the 25 billion initially indicated.

The surprise of the week, given the clear indication of rampant worries about the dollar and credit quality, was a floating rate issue collateralized by high-yielding U.S. corporate junk bonds picked up at big discounts by Equitable Life Insurance Co. and marketed under the name Equitable Capital DHO.

Unlike previous repackagings, there is no enhancement like external guarantee that normally would raise the credit rating to triple-A. Instead, a 40-percent over-collateralization gives the $110-million of 10-year floating rate notes a rating of AA2 from Moody's.

In return, lead manager Kidder Peabody says, the margin on the FRN can be set at a steep 80 basis points over Libor, a big step up for investors who can borrow at Libor and even for those whose own cost of money is Libor plus ½-point.

A companion $15 million of riskier 10-year "second priority debt" rated BAA2 was offered with a margin of 1¾ points over Libor.

The over-collateralization is made possible by the private placement of $17.6 million in subordinated notes and $4.4 million in equity. Holders of this paper stand to make a killing if the 70 junk bond issues, spread over 29 industries, that serve as collateral survive the recession to service fully and then redeem their debt at face value.

DOLLAR: *Some See Silver Lining in Weak Currency*

(Continued from first finance page)

fact of life" that banks in the United States are curtailing lending, notes Mr. de Vries. The banks have been loaded with nonperforming debts, are trying to improve capital ratios and are worried about the recession's impact on borrowers.

"Banks have gone into a shell," says Lawrence Brainard, economist at Bankers Trust Co. in New York. "The credit crunch is a reality and getting worse."

What makes this crunch both special and worrisome is that it is not, as in the recent past, the result of official policy aimed at restricting credit growth but a voluntary pullback that may not be responsive to policy measures aimed at easing the crunch.

A worse complication is that with U.S. inflation high and rising, action by the Federal Reserve to ease the credit crunch could send the wrong signal to financial markets about its commitment to fighting inflation. That could cause interest rates to rise at the very time the Fed was trying to nudge them lower.

Alexandre Lamfalussy, head of the Bank for International Settlements, addressed this danger in a speech in Helsinki last week. He warned that an international credit crunch is possible due to reluctance to increase lending by U.S. and Japanese banks. But Mr. Lamfalussy said central bankers cannot afford to relax their anti-inflation stance to avert the crunch.

Mr. Lamfalussy stressed that monetary policy cannot achieve several, usually inconsistent, targets at the same time. "It simply cannot simultaneously deliver low inflation, stable exchange rates, avoidance of recession and general financial market stability," he said.

The aim of monetary policy can only be to assure price stability, he said, adding that at this point "there should be no compromise with the anti-inflation orientation of monetary policy."

Between the lines is a plea to let companies and financial institutions that get into trouble go bust, so long as their bankruptcies do not threaten the integrity of the financial system.

"It's rather amusing," says Professor Richard Portes, head of the Center for Economic Policy Research in London, "that we are urging on Eastern Europe the virtues of letting firms collapse when they are insolvent and not viable and then worry about when firms or banks collapse in our countries when they are not solvent or viable.

"The answer is that they, too, should collapse. Why should banks be different from other firms, and why should Western firms be different from Eastern firms? We trumpet the virtues of a market economy and those who can't perform should go out of business," he says. He adds that the responsibility of the central bank is to manage domestic liquidity to assure that the collapse of any one institution does not threaten the whole financial system.

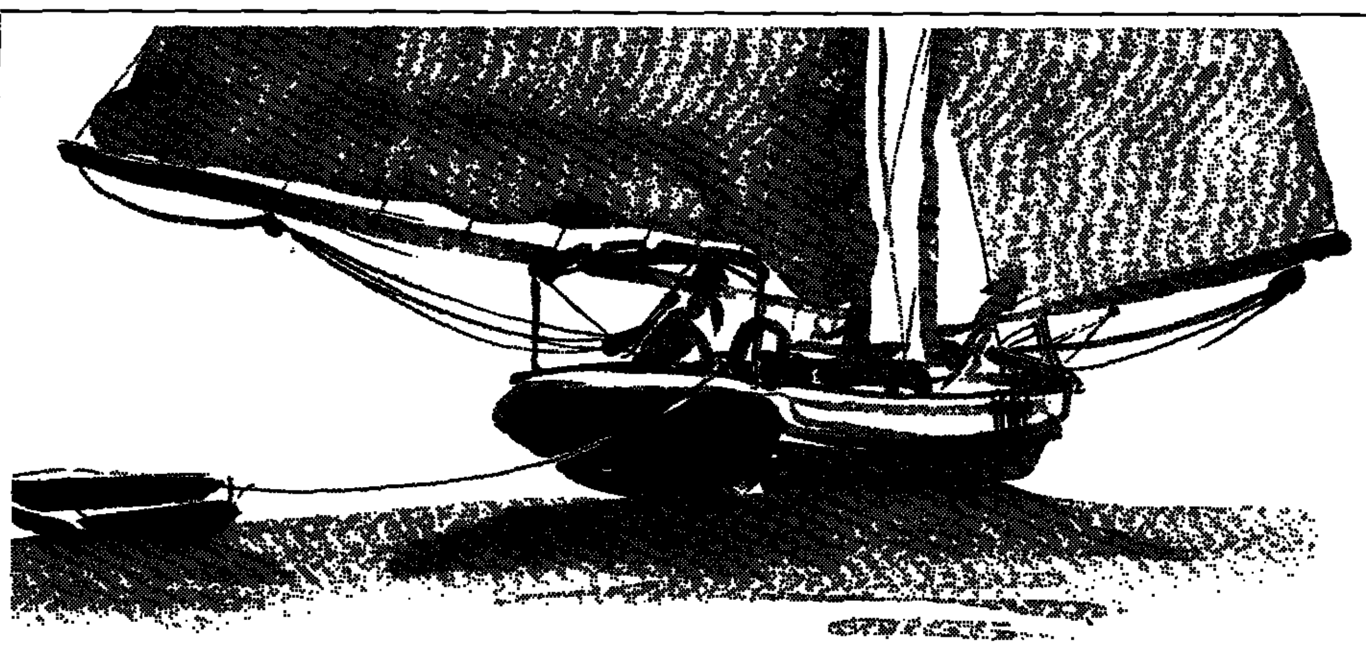
Not everyone is certain that the credit crunch will be so severe. Mr. Bergsten and David Hale, economist at Kemper Financial Services in Chicago, consider the windfall profits the oil-producing states are making as enforced savings for the industrialized world that will be recycled to them as payments for support of U.S. forces in Saudi Arabia, or stepped-up purchases of goods and services.

COMPANY RESULTS

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

United States

Company		1990	1989
Alaska Air Group	3rd Quar.		
	Revenue	295.70	268.90
	Net Inc.	19.70	22.50
	Per Share	1.35	1.46
	9 Months		
	Revenue	789.80	693.20
	Net Inc.	27.30	48.50
	Per Share	1.46	2.55
American Brands	3rd Quar.		
	Revenue	3,470.	3,060.
	Net Inc.	238.90	144.40
	Per Share	1.14	0.86
	9 Months		
	Revenue	10,020.	9,030.
	Net Inc.	594.40	458.80
	Per Share	2.97	2.38
Bank of New England	3rd Quar.		
	Net Inc.	(a)123.1	42.70
	Per Share	—	0.61
	9 Months		
	Net Inc.	(a)203.1	121.40
	Per Share	—	1.73
	a: loss.		
Gillette	3rd Quar.		
	Revenue	1,050.	971.60
	Net Inc.	92.20	65.70
	Per Share	0.89	0.57
	9 Months		
	Revenue	2,100.	2,770.
	Net Inc.	261.30	205.20
	Per Share	2.25	2.02
Kellogg	3rd Quar.		
	Revenue	1,390.	1,300.
	Net Inc.	142.30	123.10
	Per Share	1.34	1.02
	9 Months		
	Revenue	3,820.	3,540.
	Net Inc.	394.30	412.30
	Per Share	3.26	3.38
	1989 nine-month net includes gain of $48.1 million.		
Lockheed	3rd Quar.		
	Revenue	2,710.	2,210.
	Net Inc.	86.90	(a)31.80
	Per Share	1.36	—
	9 Months		
	Revenue	4,990.	4,860.
	Net Inc.	236.80	111.80
	Per Share	3.73	1.78
	a: loss.		
New York Times	3rd Quar.		
	Revenue	428.70	415.30
	Oper. Net	6.74	13.80
	Oper. Share	0.12	0.21
	9 Months		
	Revenue	1,320.	1,300.
	Oper. Net	48.70	77.90
	Oper. Share	0.69	1.11
Norwest	3rd Quar.		
	Net Inc.	71.50	52.10
	Per Share	0.70	0.50
	9 Months		
	Net Inc.	209.90	175.30
	Per Share	2.03	1.65
NYNEX	3rd Quar.		
	Revenue	2,400.	3,310.
	Net Inc.	294.70	288.70
	Per Share	1.50	1.47
	9 Months		
	Revenue	10,160.	9,840.
	Net Inc.	888.70	851.30
	Per Share	4.47	4.32
Olin	3rd Quar.		
	Revenue	654.00	590.00
	Net Inc.	15.00	24.00
	Per Share	0.65	1.15
	9 Months		
	Revenue	1,950.	1,710.
	Net Inc.	76.80	93.00
	Per Share	3.46	4.52
PPG Industries	3rd Quar.		
	Revenue	1,470.	1,360.
	Net Inc.	107.10	108.70
	Per Share	1.00	0.97
	9 Months		
	Revenue	4,520.	4,310.
	Net Inc.	373.40	363.30
	Per Share	3.47	3.25
Texas Instruments	3rd Quar.		
	Revenue	1,680.	1,570.
	Net Inc.	(a)7.00	65.00
	Per Share	—	0.67
	9 Months		
	Revenue	4,810.	4,880.
	Net Inc.	17.00	256.00
	Per Share	—	2.70
	a: loss.		
Union Camp	3rd Quar.		
	Revenue	787.70	667.20
	Net Inc.	51.50	76.00
	Per Share	0.75	1.11
	9 Months		
	Revenue	2,120.	2,080.
	Net Inc.	177.40	237.10
	Per Share	2.58	3.45
Zenith Electronics	3rd Quar.		
	Revenue	342.30	376.80
	Net Loss	11.40	24.10
	9 Months		
	Revenue	1,030.	1,110.
	Net Loss	37.30	41.30



LOMBARD ODIER & CIE ARE COMING TO ZURICH.

The third of four chapters

Asset management is clearly a long-term commitment.
With long-term implications.
It is a coming together of knowledge, experience and, most certainly, instinct. The noble Venetian merchants were guided by that same thinking when they established the spice route between the 15th and 17th centuries.
Lombard Odier & Cie have believed, since their founding in 1798, that long-term thinking is the surest route to continued asset growth.
We look forward to being at your service in Zurich from October 31, 1990.

Lombard Odier & Cie
11, rue de la Corraterie
1204 Geneva Tel. 4122/709 21 11

Lombard Odier Zurich Ltd
Tödistrasse 36
8027 Zurich Tel. 411/202 86 86

Lombard Odier Private Asset Management Ltd
22, Southampton Place
London WC1A 2BP Tel 4471/405 88 66

WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

Lower oil prices and gains on Wall Street kept the Amsterdam market lively, but it closed only a shade higher. The CBS all-share index finished at 171.0, against 170.6 the previous Friday.

There was strong interest in the transport sector, including shares such as Nedlloyd, VOC, Pakhoed and Furness, according to the Kempen & Co. brokerage.

Frankfurt

The Frankfurt stock market posted a modest gain in a quiet week. The DAX index closed at 1,482.09 points, up 22.39 or 1.53 percent from the previous Friday.

The market was helped by a fall in oil prices, a good tone on Wall Street and in Tokyo and a Conservative victory in German regional elections at the start of the week.

Schering was among the best performers, jumping by 42 Deutsche marks ($27.91) on the week to 710.50, while Siemens scored a 25-mark rise to 589.

The bond market was very strong in high volume, and the average yield on government issues dropped to 9.05 percent from 9.17 percent the previous Friday.

Hong Kong

The stock market logged a robust gain Friday to cap an otherwise soft week. The Hang Seng Index gained 76.69 points, or 2.6 percent, on the week to close at 2,991.95.

The conviction at mid-week of the local bourse's former chairman, Ronald Li, on two graft charges involving company listings had no visible impact on the market.

London

The London market fell sharply early in the week in reaction to a 0.5 percent drop in industrial production in August, which revived recession fears. But shares rallied ahead of the weekend, encouraged by falling crude prices and Wall Street's strength.

The Financial Times-Stock Exchange 100-share index closed 11.4 points lower on the week at 2,089.0, a decline of 0.5 percent.

Dark economic prospects for the coming year described by the chancellor of the Exchequer, John Major, combined with the negative influence of a Tory by-election defeat pared gains by suggesting growing opposition to the government.

Milan

Milan stocks managed a 1.61 percent rise as the MIB index finished at 809, against 806 the previous Friday. The market was paralyzed on Thursday by a strike of brokerage house clerks.

Trade averaged 125 billion lire ($111 million) a day, compared with 118 billion the prior week.

Paris

The Bourse managed four winning sessions out of five, faltering only slightly on Friday on profit-taking. The CAC-40 index ended the week at 1,644.70, up 4.4 percent.

Analysts said the gains were largely a technical recovery following the sharp decline after Iraq's invasion of Kuwait.

The two big events of the week were the strong recovery of Compagnie Financière de Suez after Gerard Worms was named to head the financial company, and Michelin's spectacular plunge after reporting that it expects a loss of at least 2.3 billion francs ($455 million) this year.

Singapore

Singapore stocks staged a mild rally, pushing share prices broadly higher despite lack of institutional support. The Straits Times industrial index moved ahead 45.48 points, the largest gain since May, to close at 1,139.85.

Tokyo

Share prices surged this past week, supported by a stronger yen and rising bond prices as well as increased hopes for a peaceful solution to the Gulf conflict.

The Nikkei average of 225 issues closed Friday at 24,481.49, for a massive gain of 2,091.33 points, or 9.3 percent, for the week. The Tokyo Stock Price Index of all stocks listed on the first section jumped 135.62 points to 1,816.29.

Trading was active, with Friday's turnover amounting to 1.088 billion shares, the year's heaviest. Daily average volume rose sharply to 664.4 million shares from the previous week's 361.9 million.

"Now the perception that interest rates are peaking and the yen is experiencing an upturn has begun to create an updraft among stock prices," said Toru Matsumoto, a noted market analyst.

Zurich

Zurich stocks regained some of the ground lost since Iraq invaded Kuwait as volume returned to reasonable levels. The SBS index ended the week at 548.4, up 11.3 points.

Bank stocks were firmer despite poor quarterly results reported by Swiss Bank Corp., which ended the week up six at 293. Union Bank of Switzerland rose 60 to 2,970.

Aquino Calls for Sacrifices

Compiled by Our Staff From Dispatches

MANILA — President Corazon C. Aquino sought on Sunday to convince foreign investors that profits outweigh threats of political turbulence in the Philippines, and again rejected calls to repudiate the country's foreign debt to ease its financial crisis.

Mrs. Aquino called for sacrifices and private initiatives to surmount the country's serious economic crisis, which is due to soaring oil prices and a huge budget deficit.

She urged foreign businessmen to tell colleagues at home that "despite the turbulent political environment of the past months, you continue to enjoy reasonable rates of return on your investment."

Mrs. Aquino, who has survived seven military rebellions, said a wave of terrorist bombings in the capital since August was scaring "the already dwindling" numbers of foreign investors here.

She rejected suggestions that she use scarce foreign exchange to purchase oil or social services instead of using it to pay off the country's $27 billion foreign debt.

"If we unilaterally repudiate our debt, the poor will suffer even more," she said.

Mrs. Aquino has called a meeting of the National Security Council — for only the second time in her administration — for this week to discuss the country's economic problems.

José Concepcion, secretary of Trade and Industry, said "We must bite the bullet and increase the price of oil and handle the budget deficit."

(AFP, Reuters)

CREDIT: *Consumer Debt Woes May Be Next for U.S.*

(Continued from first finance page)

up from a third one year ago — an indication of the potential impact of a serious recession.

Trends like these have helped persuade federal bank regulators to take a harder line on consumer credit. Karen J. Wilson, deputy comptroller for the northeastern district, began warning in March that credit card loans were bubbles waiting to burst because of the potential for consumers to use one credit card to pay off debt on other credit cards.

"Obviously we've got some concerns about consumer loans in areas where we're seeing some economic softening," said Lenora Cross, spokeswoman for the Office of the Comptroller of the Currency, which oversees national banks.

Ms. Cross said that even though regulators so far "are not seeing anything that looks very disturbing," her office is asking banks to make additional checks on payment behavior, using new computer models that will spot a sudden rise in late payments or other patterns.

Although bankers declined to be quoted by name, several interviewed said they are concerned about the problems that could arise from consumer loans. Still, banks here and elsewhere forge ahead.

For example, after suffering heavy losses from real estate loans, MNC Financial Inc. is gearing up to nearly double the size of its credit card operations to about $13 billion over the next three years, according to analysts who recently toured the division.

So far, MNC, the parent of American Security Bank, Maryland National Bank and Equitable Bank, has experienced minimal losses on its credit cards.

Robert B. McKinley, publisher of RAM Research's Bankcard Update, an industry newsletter, said big credit card issuers like MNC will not suffer as much in the event of a recession because of their broad customer base and the high interest rates they charge.

"It's the little guys, the local bankers, who've made a big push into consumer lending that'll get hurt," he said.

Elgie Holstein, director of Bankcard Holders of America, a consumer group based in Herndon, Virginia, said the dramatic rise in credit should be more of a concern for the debtor than for the lender.

"Many people have defended consumer credit in the last decade by saying that the increase in consumer debt is somehow offset by the increase in the value of our assets," the consumer group director said.

"But that argument doesn't hold water in a recession, when asset values tend to plummet and meanwhile, the burden of the debt doesn't disappear."

SUBROTO: *OPEC and Clients Urged to Cooperate*

(Continued from first finance page)

age stands at 77 percent and by the year 2000 it will have risen to 80 percent.

Non-OPEC producers who, in the 1980s, were able to supplant OPEC as the main source of supply will in future be in no position to meet incremental demand. Neither will they be able to satisfy the basic need of oil companies to produce and acquire sufficient crude oil to satisfy their market outlets.

Given the five- to 10-year lead times needed to produce oil from frontier areas — provided there are adequate incentives — the oil companies will increasingly have to turn to the abundant resources of OPEC, whose producers enjoy the lowest production costs in the world.

•

Q. What kind of cooperation between major producers and consumers of oil would assure the world of more stable supplies and prices?

A. The 1980s witnessed sharp inroads into OPEC's market share and, through consequently lower investment, into its production capacity. This has declined from a generally accepted peak of about 40 million barrels per day in 1979 to a level somewhere around 27 million barrels in 1989.

When the situation in the Gulf returns to normal, it is expected that total OPEC sustainable production capacity will increase from about 28 million barrels per day in 1990, to 34 million in 1995 and 35 million in the year 2000. To increase OPEC production capacity to these levels, huge investment and cooperation on a massive scale will be needed.

OPEC countries have taken initiatives to develop their oil reserves. Many member states are offering better licensing terms to attract capital and technology, not only for exploration, but also for oilfield development. OPEC is doing what it can to provide security of supply for consumers.

However, oil companies and governments of consuming nations must provide the other side of that equation: security of demand.

information MOSCOW

ARE YOU PLANNING TO EXPAND YOUR BUSINESS INTO THE SOVIET UNION?

DID YOU REALIZE THAT THERE IS NO TELEPHONE DIRECTORY FOR MOSCOW?

Sometimes it can be the basics that are overlooked. You'll get all sorts of advice but one thing you simply must have – INFORMATION MOSCOW. If you need some help from your Commercial Attache, or you want to book a table in a local restaurant or rent a car for a site visit or confirm your return reservation . . .

INFORMATION MOSCOW is the essential handbook. It has served the business and diplomatic community for over a quarter of a century. Detailed and accurate, it is updated twice a year.

Get your personal copy. Keep it in the office and take it on your next trip. Order INFORMATION MOSCOW today!

Please send me ...... copies of INFORMATION MOSCOW at £27.00 each, plus postage: £1.50 each in UK: £4.00 each in Europe: £5.50 each outside Europe.

Name ....

Address ....

City/Code ....

Country ....

Payment by credit card only. Please charge to:

☐ Access ☐ Eurocard ☐ Mastercard ☐ Visa

Card Number ________ Expires ________

Signature: ________

Return your order to: Information Moscow, PO Box 1188, Arundel, West Sussex. BN18 9SD, United Kingdom. "Please" allow six weeks for delivery.

Euromarts At a Glance

Eurobond Yields

	Oct. 17	Oct. 10
U.S. $, 8 yrs & over	9.54	9.56
U.S. $, 5 to 7 yrs	9.29	9.27
U.S. $, less than 5 yrs	8.77	8.68
Pounds sterling, less than 5 yrs	12.86	12.74
French francs, less than 5 yrs	10.58	10.53
Ital. lire, less than 5 yrs	12.61	12.61
Danish kroner, less than 5 yrs	10.74	10.80
ECU, 8 yrs & over	10.57	10.64
ECU, 5 to 7 yrs	10.43	10.49
Can. $, less than 5 yrs	12.31	12.02
Aus. $, less than 5 yrs	14.14	14.16
N.Z. $, less than 5 yrs	13.84	13.60
Yen, 5 to 7 yrs	7.94	7.94
Yen, less than 5 yrs	8.11	8.12

Source: Luxembourg Stock Exchange.

Weekly Sales Oct. 18

Primary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	79.60	516.30	937.20	971.30
Convert.	—	3.20	—	—
FRNs	90.00	—	60.00	40.10
ECP	5,178.90	1,430.30	8,982.80	2,100.40
Total	5,348.50	1,949.80	9,980.00	3,111.80

Secondary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	5,225.40	11,766.20	13,750.10	13,964.00
Convert.	188.90	735.30	765.70	764.80
FRNs	4,480.10	1,702.29	4,708.50	6,414.10
ECP	2,857.80	3,344.90	2,240.80	4,800.90
Total	13,862.20	17,546.60	21,465.10	25,943.80

Source: Euroclear, Cedel.

Libor Rates Oct. 19

	1-month	3-month	6-month
U.S. $	8⅛	8 3/16	8 3/16
Deutsche mark	8 5/16	8⅝	8 13/16
Pound sterling	14	13 15/16	13 11/16
French franc	9¾	9 15/16	10 1/16
ECU	9¾	9⅞	10 1/16
Yen	8	8⅛	8⅜

Source: Morgan Guaranty, Lloyds Bank, Reuters.

U.S. Consumer Rates Oct. 19

Tax Exempt Bonds	
Bond Buyer 20-Bond Index	7.79 %
Money Market Funds	
Donoghue's 7-Day Average	7.44 %
Bank Money Market Accounts	
Bank Rate Monitor Index	5.86 %
Home Mortgage, FHLB average	10.24 %

Source: New York Times Service, UPI.

U.S. Treasury Bonds Oct. 19

Maturity	Close Bid	Close Ask	Yield	Wk-ago yield
30.09.92	100 14/32	100 18/32	7.84	7.89
15.08.93	100 1/32	100 3/32	7.98	8.04
30.09.94	101 5/32	101 7/32	8.15	8.22
15.11.95	100 31/32	101 1/32	8.25	8.31
15.10.97	101 11/32	101 13/32	8.49	8.55
15.08.00	100 27/32	100 29/32	8.62	8.68
15.02.10	104 30/32	105 2/32	8.78	8.85
15.08.20	99 29/32	99 31/32	8.76	8.83

Source: Salomon Inc.

WALL STREET REVIEW

Figures as of close of trading Friday, October 19.

NYSE Most Actives

	Vol.	High	Low	Last	Chng.
Citicorp	312935	14¼	12¼	13¼	—⅜
PhilMr	149696	48⅝	44¼	48⅜	+3⅜
IBM	106670	109	96¼	107⅞	+7⅜
GenEl	102469	55⅞	51	55½	+2½
Waste s	98109	33	29	32⅛	+1⅞
WalMt s	93949	28¼	24⅞	27¼	+1¾
PepsiC s	91901	25	22⅞	25	+1¼
FedNM	90752	29½	26½	27⅞	—⅜
AmExp	85469	19¼	17½	18⅞	—½
SallieM	84257	44¼	34	36½	—6¾
AT&T	82895	33½	30⅞	33½	+1½
EKodak	75497	39¾	36¾	39⅝	+4¾
Baxter	74477	27¾	24⅞	26⅞	+2½
Exxon	73620	50⅛	48⅛	49⅞	+1⅛
Boeing s	70563	49⅛	44⅝	48½	+4
CocaCl s	67622	45⅝	40⅝	45⅝	+4⅞
Motorla	60954	57½	50⅝	51⅞	—3⅝
FdHmL	59194	43⅜	30¼	32⅞	—10⅝
ArchD s	58156	24⅛	20⅛	23¼	—⅜
Lilly s	57996	80	72½	74	+⅛
FordM	55209	32⅞	30¼	31⅝	+⅛
Bevrly	54739	7⅝	6	7	+⅞
BrMySq	54340	62	57⅛	62	+4½
DowCh	54141	43⅜	39⅛	42¼	+2¼
GnMotr	53853	37⅞	35⅛	37⅞	+1⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
ContAir	30703	6	4⅛	5⅞	+1½
Hilhav n	23069	1⅜	1⅛	1⅛	+⅛
ChDvA s	15709	17⅞	14⅞	17	—⅛
EchoBy	14548	11⅛	10⅛	11⅛	—⅛
PW Nk pw	14256	9⅝	8	8½	—⅛
FruitL	10942	7⅞	7⅛	7⅞	+⅛
SNk 193wt	10384	18⅝	16½	16⅞	—2
EksNk wt	10340	9⅝	7⅞	8⅛	—1⅛
Wthfrd	9983	7¼	5⅞	6	—1
ENSCO	9775	3¼	2⅝	3¼	+¼
Dk Nk wt	9681	19½	17½	17¾	—2½
WDigitl	9623	6⅛	5⅛	6	+⅛
Amdhl	8616	12½	11¼	11⅞	+⅛
BAT In	8276	10⅜	10⅛	10⅜	+⅛
WangB	7730	3⅛	2⅞	3	—⅛
CornCr	7058	14⅞	11⅞	14	+2⅞
Hasbro	6738	12⅛	11¼	12¼	+⅜
PegGld	6576	11½	10⅛	11	—⅜
DowC rt	6572	8	7⅛	7¾	
A-att2 sc	6301	7	6	7	+⅜
SNk 193wt	6186	19⅝	17¼	17⅞	—2⅛
Corona	5349	5⅛	4½	4⅞	—½
SFT 593pwt	5183	4½	3⅝	3⅞	—¼
Nabors	5156	5⅝	4⅞	5¼	+⅛
Alza	5127	42	37	41½	+3⅜

NYSE Sales

	Sales Vol.
Total for week	901,410,000
Week ago	780,970,000
Year ago	1,170,210,000
Two years ago	853,130,000
Jan 1 to date	32,240,519,000
1989 to date	34,269,820,000
1988 to date	34,131,630,000

AMEX Sales

	Sales Vol.
Total for week	56,900,000
Week ago	56,460,000
Year ago	85,010,000
Jan 1 to date	2,793,620,000
1989 to date	2,530,530,000

NYSE Diaries

	This Wk	Last Wk
Advanced	1167	412
Declined	797	1543
Unchanged	229	219
Total Issues	2193	2174
New Highs	19	16
New Lows	537	599

AMEX Diaries

	This Wk	Last Wk
Advanced	381	188
Declined	424	619
Unchanged	179	167
Total Issues	984	974
New Highs	3	1
New Lows	224	237

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, October 19.

(Continued)

Sales in 100s	High	Low	Close	Net Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, October 19.

Option & price	Calls		Puts	
	Oct	Nov	Oct	Nov
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total Volume: 934,211
Open Interest: 3,538,886
r—Not traded. s—None offered. o—Old.

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, October 19.

Option & price	Calls		Puts	
	Oct	Nov	Oct	Nov
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Total Volume: 384,817
Open Interest: 2,884,267
r—Not traded. s—None offered. o—Old.

هكذا من الأصل

ADVERTISING SECTION

1992 The World's Rendezvous With Europe

Twentieth in a Series

Advantages for Investors

POLAND	HUNGARY	CZECHOSLOVAKIA
• Largest potential domestic market • Heartland of 21st century economic corridor between Berlin and Moscow – Motorway link – High-speed railway from Paris? • Two major sea ports – Gdansk – Szczecin • Historically, the food basket of Europe – Unrivaled source of inputs for food processing and agro-business • Excellent, logically organized railway system and freight handling, and fast passenger trains. Second-highest railway density after Germany	• The economy that currently most resembles that of Western systems • Potential strengths in particular for financial services, software and mathematical-based industrial functions • Clearest commitment to privatization: 20 medium and large companies will be privatized before the end of the year	• Functioning market economy still in memory • Textiles and engineering base. 37.4% of the work force is employed in industry • Wide range of metallurgical industries • In 1987, there were over 38,000 self-employed entrepreneurs in the country • Unfortunately, most prices are still fixed

Source: Central Europe Investments

Eastern Europe / Potential and Pitfalls

Investors Need Patience and Flexibility

The stunning changes in Eastern Europe over the last year have presented what seem to be dream opportunities for Western traders and investors — the chance to make solid profits while contributing to the rebuilding of democracy and free-market economies.

But many of those opportunities are exactly what they seem — a dream — and the financial returns from Eastern

Rising oil prices and pollution are major obstacles

Europe may require more rather than less of the usual amounts of hard work, patience and luck. There are opportunities to make money in Eastern Europe, but relatively few chances to make easy money or quick money.

Many of the Western investments in Eastern Europe so far have been consumer-oriented and relatively small. Plans for a few big manufacturing joint ventures have been unveiled, led by Japanese, American and European automakers who see the relatively cheap labor of Eastern Europe as an opportunity to build low-cost plants and at the same time open new markets for their cars.

A number of other Western companies and investors with high hopes have been disappointed, including some exiled family manufacturing dynasties that wanted to revive their pre-World War II properties but gave up in the face of legal uncertainties and bureaucratic tangles.

And various investment funds set up to take advantage of the expected growth in Eastern Europe have found nothing to invest in. Instead of putting money directly into Eastern Europe, some investors have instead tried to buy shares in West European, American and Japanese firms that will be doing business there.

"The doors are open, but they're the wrong height for most of us," says Jerzy Gabrielczyk, a Polish-Briton investment banker who is advising Poland's Ministry of Industry on privatization and joint ventures with foreigners. "There's no infrastructure for business. It's hard to call New York. The accommodations aren't good for business travelers. And there's the language. Even if people speak English, they often don't understand basic business terms," he says.

Mr. Gabrielczyk adds, however, that East Europeans themselves, from consumers to managers, are eager to embrace free-market economics. As a result, he is "very encouraged" about the long-range prospects for Western

Continued on Page 19

The New Germany / A Future in Question

Redevelopment of the East Needs a Clearer Strategy

The lack of generally accepted facts and forecasts on the state of the German economy is not nearly as serious as the absence of an approach to ensure the economic survival of the eastern quarter of the country.

"A Germany too large for us," laments the cover story in Le Nouvel Economiste. "United, we're as poor

Unification: 900,000 government employees out of work

as France," replies Der Spiegel. "How are the millions of workers in the [former] GDR going to get through the next six months?" asks a radio moderator on an early-morning talk show in Munich.

Although the former West Germany is buoyed by continuing strong rates of economic growth (3.4 percent) and moderate inflation (2.6 percent), a boom in consumer spending (up 11 percent to 32 percent in key sectors) and a record decline in rates of unemployment, the basic questions remain unanswered. How to solve the wide range of personnel, legal and infrastructural problems plaguing the former East Germany? Will the estimated DM300 to DM600 billion (US$197 to $526 billion) required to do so exceed even the power of the mighty and as-yet recession-proof economy of West Germany?

Unsolved are the thorny questions of who owns the property in the east and who is liable for cleaning up noxious pollutants. The recently passed German-German unification treaty set forth the ground rules as to which expropriated parties could lay claim to their former properties and who was entitled to compensation, but the regulations are being contested in the courts and have had no discernible impact on the excruciatingly tight real-estate market in the east. An ample stock of greenfield sites is one of the prerequisites for East German growth.

Another is trained and usable labor. The exact number of unemployed in East Germany is unknown. The official figures are 5 percent unemployed and four times that many on "Kurzarbeit" — forcibly shortened shifts. Social Democrats have put the "true" figure of East German unemployment at 20 percent — and rising — since many East German VEBs and Kombinate (public-sector companies and vertically integrated holding trusts) are dependent for their survival on short-term funds from the West and exports to the East.

How much of the "surplus" work force can be either used in West Germany — where unemployment reached an eight-year low of 5.9 percent in September and where an all-time record 28.3 million people are gainfully employed — or retrained for new positions in the east is uncertain. Training takes time and is in any case not likely to be the solution for a novel form of structural unemployment built into the five new states of the Federal Republic of Germany.

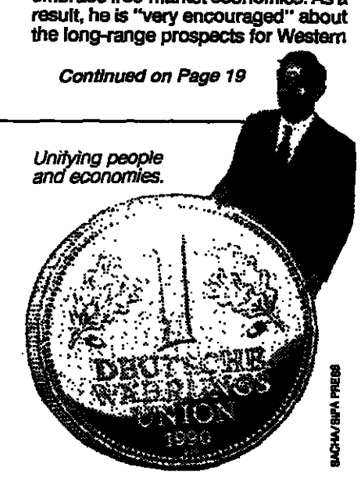
A fresh wave of unemployment will send the November figures soaring. Some 900,000 government employees, ranging from diplomats to NVA (National Volksarmee) soldiers to former Stasi officials to bureaucrats from the central planning commissions, will be looking for new jobs in skill areas and social niches far removed from their previous ones.

And a quiet but very real wave of discrimination against the former loyal servants of the East German regime is spreading from the political world into that of business.

Where will new jobs come from? Industrial production in the former East German region is down some 45 percent over last year at this time. While the retailing and service sectors (except for tourism) are moderately flourishing and the construction industry is predicting a boom, the rebirth of East Germany has yet to manifest itself.

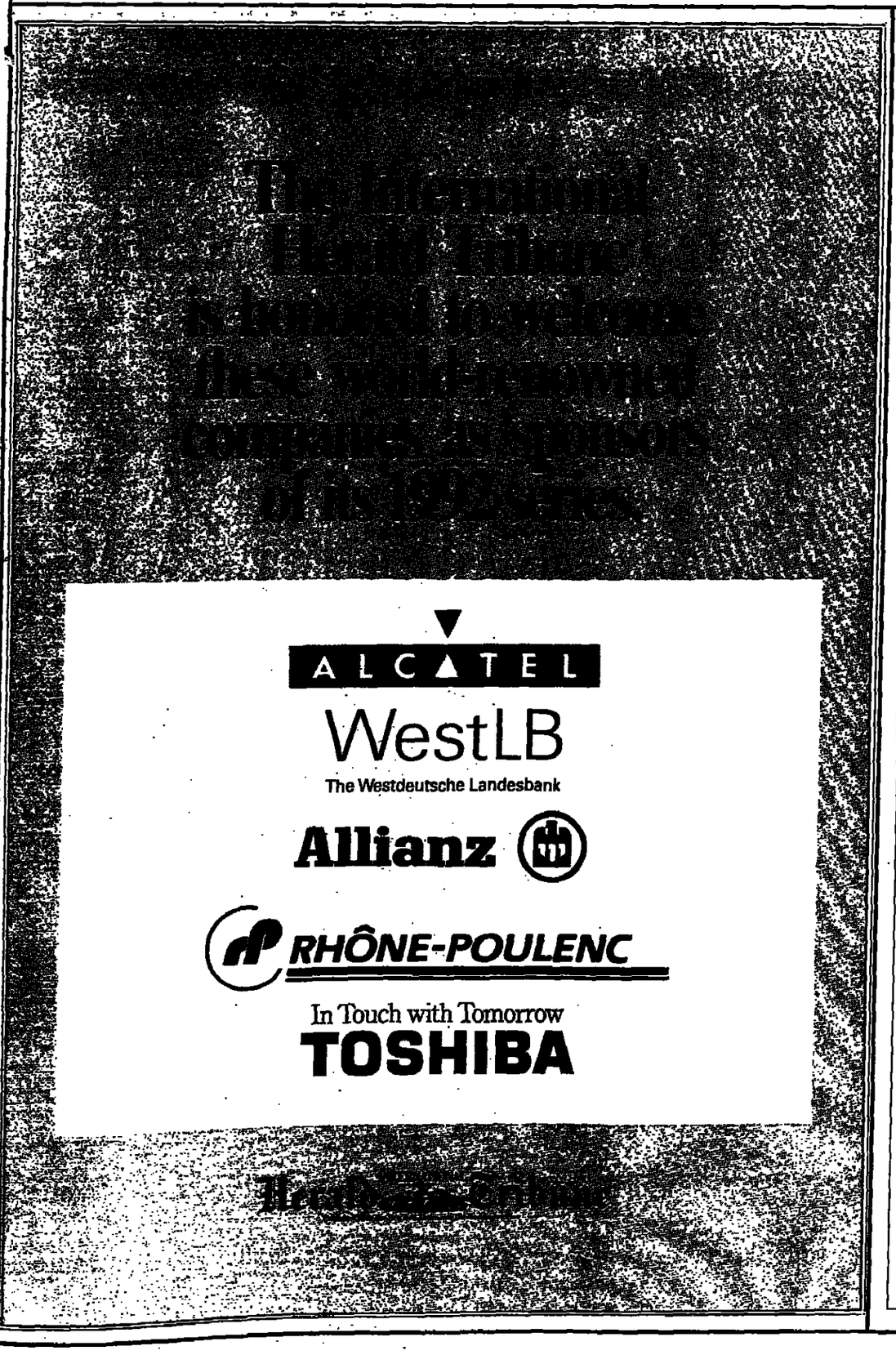
Not that West Germany's major

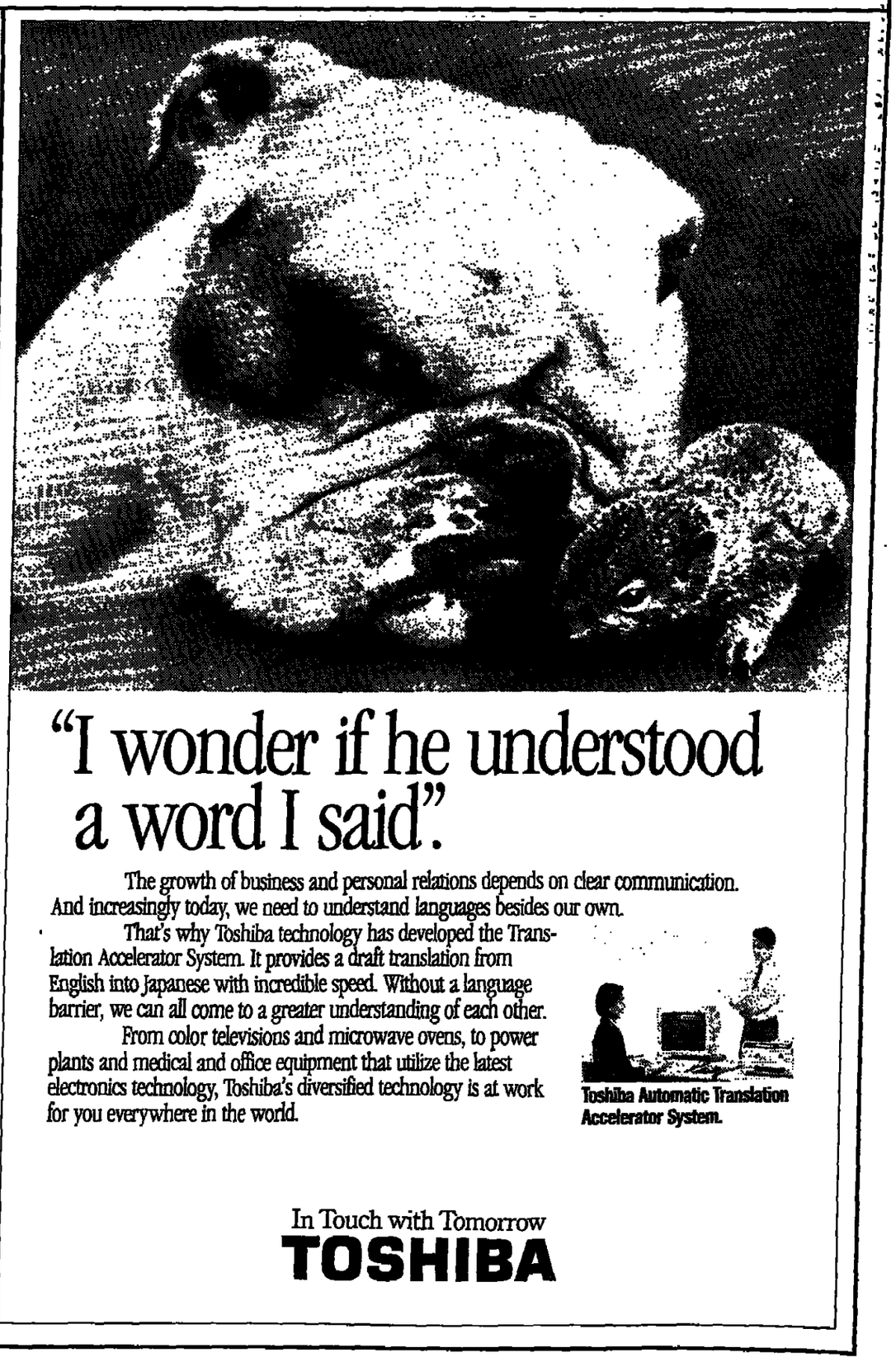
Continued on Page 16



Unifying people and economies.

SACHA/BIPA PRESS





1992 The World is Nervous with Europe

Vladimir Dlouhy, minister of economy of the Czech and Slovak Federative Republic, discusses the outlook for his country's economy and East-West relations with Axel Krause, corporate editor of the International Herald Tribune. The following are excerpts from the interview:

Interview / Vladimir Dlouhy, Czechoslovakian Minister of Economy

Stagnation Inevitable Part of Economic Restructuring

What will be the impact of higher oil prices and the Gulf crisis on political and economic reforms in Eastern Europe and in Czechoslovakia in particular?

First, there is the cut in Soviet deliveries of oil. I expect that in terms of the annual average for 1990, the cut will

Foreign investors need to focus on future markets

be on the order of about 25 percent. Some months were as high as 50 percent. The other reason has been the much higher prices stemming directly from the Gulf crisis.

What is the solution?

The Soviets have been supplying us under the old barter system of trading, but they are willing to supply more oil for hard currency. And for cash.

At what price?

The world market price — $35 to $40 a barrel. Even at these prices, Soviet oil is the cheapest for us at the moment, because our refineries are set for the light Soviet crude. And we have transportation. There is a pipeline.

What will be the overall impact of the Gulf crisis on your economy and trade?

We estimate the negative effect on trade and balance of payments [combined] in 1990 at about $1.4 billion. This comes from higher prices, the loss of our exports to Iraq and the freezing of our assets in Iraq.

Is there currently any GNP growth?

We have never counted much on growth. We have a heavy industrial structure with a distorted price system. But we are in the process of restructuring the economy, and so we were willing to accept stagnation this year. And if I see stagnation in the inefficient part of the economy, in heavy industry, I say "thank you" for the stagnation and this negative growth, meaning between minus one to zero percent. For this year.

Isn't that recession?

It is a recession. But it is not the type you are used to in Western economies. Because of the very heavy structure, it is desirable that there is no growth in the production of steel in this country. But next year, things will definitely swing down. We will have a lot of bankruptcies, inflationary pressures, negative growth.

Won't the impact of the Gulf crisis worsen your situation?

Definitely. We could have problems supplying gasoline to the people.

What is the most important lesson Central Europe has learned from the Gulf crisis?

That we had better count on the worst possibility, which includes the start-up of a war. We must be ready for that and for a rise in oil prices to $60 to $65 a barrel.

Turning to the Czech economy, when will big privatizations that would interest foreign investors begin?

We must distinguish between joint ventures to build hotels, for example, and direct foreign investment. The aim is to generate automatic capital inflow — with financial markets, a stock exchange and so on. But the privatization plan being prepared here basically doesn't favor, at the beginning, foreign investment. Yet we are very much in need of foreign direct investment — immediately.

What is the attraction?

The reforms we are undertaking to improve the relative structure of prices. This means dismantling price controls and monopolies. When this is accomplished, following the period of stagnation I mentioned, the economy will begin reacting as small- and medium-sized companies in the private sector begin generating efficient growth.

How long will this take?

If you look at Poland, they are going through such a period this year. We must try to shorten this interval, and I see three locomotives for growth. First, the support we will give to small- and medium-scale business. Secondly, support for direct foreign investment. And some well-calibrated state industrial policy. But please understand that these three steps can only come after the reforms, including convertibility of our currency.

In other words, you do not want to encourage foreign investments until the economy is modernized?

It never was a good idea to allow huge foreign investments in an unreformed economy. I am not speaking of direct foreign loans, but of the flow that in centrally planned economies always disappeared, as if into a black hole, without much effect. When we liberalize the price system and make the currency convertible on January 1, 1991, we will be in a better position.

Will you allow majority control by foreign investors?

Yes, up to 100 percent. We are now preparing a new banking law that would even allow foreign banks to operate here.

What role do you see for the European Bank for Reconstruction and Development?

You must distinguish between financing of specific projects, direct foreign loans and the standby facility. The first direct loan we will accept will be for the standby facility, meaning support for the convertibility program, which will require strong intervention by the central bank.

Who will provide that financing?

Partly the IMF, but we also contacted the EC and private banks. We are soliciting well over $500 million.

What is the future of joint ventures?

In the field of hotels, they will be allowed almost automatically. Since May 1, a total of 470 joint ventures have been started, basically in services and tourism. These were small, mainly with Austrian, German and Swiss groups, but bigger projects are being planned. And as privatization goes forward, we plan to establish a stock exchange.

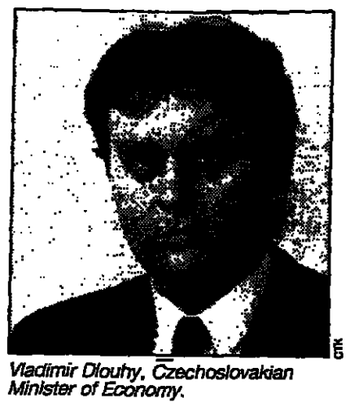
Where are your "natural" potential partnerships — in the West, the East or where?

This is a political question. But, generally, we see offers and interest coming from Germany and Austria, because they are our neighbors. I would welcome every kind of foreign investment and believe we should support capital inflow from countries like France, Great Britain, the United States, Canada and Japan. We do not want to be dominated by Germany.

What advantages does Czechoslovakia offer, compared with other countries?

Relatively cheap labor, which is also skilled. Higher productivity, probably higher than in other East European countries. But these are temporary. The labor cost advantages will not last long. So what do we offer? Knowledge of the Soviet market, for example.

What is your strategy with regard to



Vladimir Dlouhy, Czechoslovakian Minister of Economy.

ties with EFTA, now being negotiated, and EC membership?

We are cooperating with EFTA countries, but, in general, we support becoming members of the EC.

Your prime minister recently said that would not occur before the end of the century. Could EC membership come sooner?

My feeling is that his statement was correct, and it was a political statement. But we must be doing everything possible to make it happen sooner.

How will you find and train managers to run your modernized economy?

We have already started many managerial courses, and many managerial firms are coming here. But my feeling is that the best way to learn how to swim is to jump into the water. So the best way to train our managers is to have them start and run businesses. In addition, rather than sending our people abroad, to the United States, we should bring in older, experienced managers here from Western Europe. These would be managers at the end of their careers, whom we would pay to come here for a year, or half a year, and they would work with Czechoslovak firms.

What advice would you give potential foreign investors?

They will not find much technology here, so they should concentrate on future markets. But by orienting themselves toward the traditional areas, such as light industry, glass, china, textiles, and, as soon as they are opened, toward the energy sector, especially nuclear, environment control, desulphurization and transportation. The state will provide support in the form of tax holidays and other measures, including investment guarantees.

Where should newcomers turn?

We have just established the Agency for Foreign Investment in this ministry. The agency will only be a contact point, providing information, matchups with Czechoslovak counterparts. But foreigners do not have to go to the agency if they have already found their counterpart. I do not want to control or regulate anybody. I am responsible for creating the conditions, and we want them to be as attractive as possible.

Do foreigners coming here make mistakes?

They don't make many. The problems have been more on our side.

The New Germany / A Future in Question

Redevelopment of East Needs a Strategy

Continued from Page 15

companies have been holding back. Volkswagen has announced a DM5 billion project for Zwickau in East Germany, Daimler Benz is not far behind with its DM2 billion truck-production facility in Ludwigsfelde, Bertelsmann announced on October 10 plans to take over East Germany's largest printer, and energy giant RWE is committed to spending DM7 billion over the next few years in the east.

As of October 1, 1990, according to Munich's authoritative IFO economic research institute, some 59 percent of all West German companies had already initiated plans to increase their business activities in the east. However, only 3 percent had actually begun to produce goods there. Moreover, only 6 percent of all West German companies active in the east did not list some serious problem standing in the way of their being "fully involved" there. Legal uncertainties in acquiring property and woefully inadequate infrastructure were the two most-often-cited troubles.

It is unclear what the Treuhandanstalt — the public-sector holding company charged with reorganizing the East German economy — has actually achieved in its few months of operation. Treuhand's Detlev Rohwedder was highly successful as the savior of West Germany's steel producer Hoesch. Formerly the chairman of Treuhandanstalt's supervisory board and now the chairman of its executive board (and concurrently still with Hoesch), he is resolutely optimistic about what his company has set in motion. To alleviate its slowness in processing applications, Treuhand has delegated a wide range of powers to its regional boards. To handle the land issue, it has set up a special department to give communities industrial sites.

But there is still no "East German model company" showing the way to locally generated recovery efforts.

"Not through the taking out of loans but rather by sharing" is German President Richard von Weizsäcker's formula for financing the costs of unification. His words were intended to move the West Germans to altruism but may also be prophetic of developments on the financial markets. The third supplemental budget of the Federal Republic of Germany in 1990 amounted to DM20 billion, bringing the total federal deficit to DM66.8 billion and the total public-sector deficit to DM100 billion, DM15 billion of which went to Treuhand.

How large the deficit will be next year is anybody's guess, especially as the federal government is now responsible for all of the former East German public and private sectors.

In addition to the redundancies and financing costs of unity, West Germans will have to confront a range of lesser problems, such as new postal codes and a new schedule of summer holidays that will affect traffic patterns on the autobahns.

Terry Swartzberg

An experienced wholesale bank, WestLB accompanies your international finance operations.

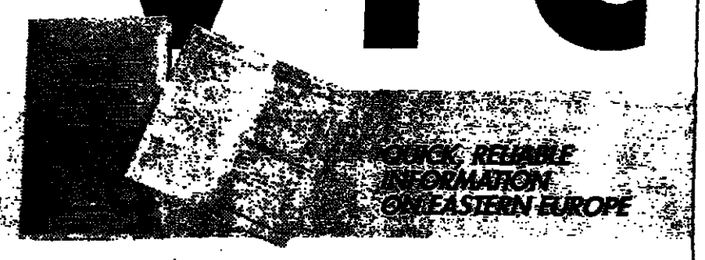
20 years of experience in Corporate Finance, the solidity of a state bank and the leading role played by WestLB. On this sound foundation, WestLB successfully combines classical products with innovative solutions, applying the right mix of state-of-the-art technology and personal creativity. That's why WestLB rightfully belongs at the top of your shortlist – from Corporate Finance and Investment Banking to Treasury. And with a global network stretching from Düsseldorf to New York and from Tokyo to Toronto, WestLB is perfectly equipped to set the tone for your international finance operations.

WestLB
The Westdeutsche Landesbank

Business Information Video Cassettes

BIVIC

THE NEW INFORMATION MEDIUM FOR THE NEW GENERATION OF EXECUTIVES



The difference between companies that succeed in Eastern Europe and those that fail will be information. After all, it's not business as usual in a market, that has been cut off from the rest of the world for more than 40 years. The BIVIC's have the inside information you need — at a glance through the immediacy of video. ● You can learn first-hand about the people, the producers, the factories, the housing and more. ● You'll see how to avoid the pitfalls and learn everything you need to break into Eastern Europe. ● You get ACCURATE, UNBIASED INFORMATION, since ECOVISION GmbH, producer of the BIVIC's, is an independent company, based in Austria, where the traditional links to Eastern Europe allow the best possible flow of information.

CHOOSE THE BIVICS THAT ARE TARGETED TO YOUR BUSINESS

❑ BIVIC Volume 1
COMEBACK OF THE DANUBE REGION
Presents an overview for marketers about 3 traditionally linked Central European countries which offer new investment opportunities for the '90's: their economic strength, their advantages, how their traditional links can provide modern entrees and what can be expected in the future.

❑ BIVIC Volume 2
REAL ESTATE IN HUNGARY
Where are the best properties and locations in Budapest, what do they look like, what are the risks and what are the prices? All this and more is answered in this close look at an important market for international investors.

❑ BIVIC Volume 3
BANKS AND INVESTMENT IN POLAND
Investors will learn about Poland's banking system and emerging opportunities. Plus insight to the legal system and how it applies to foreign investors, financial instruments and what to expect in the future.

❑ BIVIC Volume 4
TOURISM AND INVESTMENT IN CZECHOSLOVAKIA
Czechoslovakia offers numerous opportunities in this fast growing sector. You'll visually tour the best sites and find out how to utilize them, plus the risks and traps to avoid. A must tape for agencies interested in widening their international offerings.

❑ BIVIC Volume 5
TOURISM AND INVESTMENT IN HUNGARY
Budapest and Lake Balaton offer exciting opportunities for companies in the tourism industry. An overview about promising tourist sites and pitfalls you should avoid. An important look for any company thinking of expanding its Eastern Europe operations.

❑ BIVIC Volume 7
EC EXTRA: ESPRIT FOR NEW TECHNOLOGY
Learn how companies from non-European Community countries may participate in and take advantage of EC Technology Programs. Also included is key basic information regarding the history of the European Community and the current situation there.

❑ BIVIC Volume 12
HEAD HUNTING IN EASTERN EUROPE
How to get qualified staff and managers in East European countries. Including information about their skills, their training level and what must be done to match the standards industrialized countries are used to. To be delivered in December 1990.

Each half-hour BIVIC shows: ● What is the market and the profit potential? ● What is the labor force like? ● Where is the best place for investment? ● Who are the key business contacts? ● What are the business regulations? ● The risks and opportunities. PLUS: Each BIVIC includes an indispensable information booklet, which includes telephone numbers of local contacts, business facts and figures and travel tips. GET THIS NEW INFORMATION MEDIUM published by ECOVISION, available through the

Special Projects Division,
181 avenue Charles-de-Gaulle,
92521 Neuilly Cedex, France.

Special introduction price: US$ 125.- per cassette
ORDER NOW BY MAIL OR FAX: (33.1) 46 37 52 12.

Please send me:
...copies of ❑ Vol.1
...copies of ❑ Vol.2
...copies of ❑ Vol.3
...copies of ❑ Vol.4
...copies of ❑ Vol.5
...copies of ❑ Vol.7
...copies of ❑ Vol.12

VHS only: ❑ PAL ❑ SECAM ❑ NTSC
Please allow 2 weeks for delivery.

SPECIAL INTRODUCTION PRICE per cassette: US$ 125.-
Please add postage US$ 3 Europe; US$ 6 Outside Europe.

PAYMENT IS BY CREDIT CARD ONLY
Please charge my ❑ Visa ❑ Mastercard ❑ American Express ❑ Access ❑ Diners Club ❑ Eurocard

CARD NUMBER _____ EXP.DATE _____
SIGNATURE _____
NAME _____
ADDRESS _____
CITY/CODE _____ COUNTRY _____
TEL _____ FAX _____

ECOVISION
Vienna
Brussels
Hamburg
New York
Santiago

هكذا من الأصل

1992 The World's Rendezvous With Europe

U.S. / Wait-and-See Attitude

Firms Counting on Market Growth

A few headline-catching deals have made it seem as if American companies are planning a strategy for Eastern Europe that emphasizes local production for sales in the West.

The East European market — with its low-wage but well-educated work force, limited consumer buying power and non-convertible currencies — would appear to dictate this Western exploitation of the East's underdeveloped economy. "The initial flurry [of U.S. investment] is manufacturing for servicing the European Community market," says William T. Archey, international vice president of the U.S. Chamber of Commerce. Such activity is logical since East European countries have advantageous trade agreements with the EC.

Some companies helping to upgrade infrastructure

Two Hungarian ventures — involving General Motors (engines and vehicles) and General Electric (light bulbs) — are the best examples of this made-for-export strategy. But a look beneath the surface reveals a more varied picture. Once the handful of flashy, export-oriented ventures are discounted, it is evident that American firms are and will be doing a substantial amount of investment aimed at the local market.

"The principle motivation [of American companies] is to position themselves to take advantage of growth" in Eastern Europe, asserts a U.S. Commerce Department official. By the end of the century, the region could account for roughly 10 percent of the trade growth outside of the United States, this official says.

One area of vigorous activity is the provision of services to rebuild the region's dilapidated technological infrastructure and create the prerequisites for a market economy. American telecommunications firms are upgrading several East European countries' phone systems, while computer firms are beginning to set up marketing operations. The potential in these sectors has been improved significantly by the recent decisions of the United States and its allies to loosen export controls on high technology.

American hotel chains are also expanding into several East European countries. Marriott opened a 41-story facility in Warsaw late last year, and the Carlson Co., which operates Radisson Hotels International, is looking at possible franchise deals in the former Soviet bloc.

U.S. advertising agencies are also moving east, hoping to serve their multinational clients as well as garner a share of the business generated by local companies' forays into consumer-based marketing. Young & Rubicam's purchase of a local ad agency in Prague in August was only the latest such move.

U.S. manufacturers of consumer products are looking more seriously at the potential for sales in Eastern Europe now that several countries in the region are taking steps toward creating a more hospitable climate for profit-oriented companies. Hungary has guaranteed the full convertibility of its currency, a step Poland and Czechoslovakia are considering. Poland has also signed a trade treaty with the United States that will provide guarantees against expropriation, protect against software piracy and ensure prompt approval of license applications.

Among the American companies that are focusing on expanding their consumer product sales in the East are Eastman Kodak and S.C. Johnson (the makers of Pledge and Raid). Levi Strauss is successfully combining manufacturing and local sales of jeans from its Hungarian operation.

Tomasz Talma, an economist at Planecon, a Washington D.C.-based consulting firm, notes that in Eastern Europe "there is a cultural admiration of the U.S. life-style and products. In that sense, the Americans have an easier time going in with their consumer products than the French or British do."

Regardless of the East European hunger for things American, there is not likely to be a stampede of U.S. firms eastward over the next few years. "American companies have been very cautious so far" in their East European investments, says Robert Hormats, an investment banker with Goldman, Sachs & Co.

A survey taken last month of 39 major American multinational companies by the accounting and consulting firm DRT International revealed that only 15 were currently investing in Eastern Europe. Two-thirds of the companies said they had plans to invest in the region, but those moves were three to five years down the road for some of them. Despite the encouraging initiatives taken by Poland and some other countries, a number of American companies are waiting for Eastern Europe to clarify its investment policies further — and demonstrate that such rules will stick.

"Over time, the big variable is not U.S. investment standing by itself, but investment driven by reform in Eastern Europe," says the U.S. Chamber's Mr. Archey. "We romanticize Eastern Europe over here [but] there's a big apprehension in the body politic [of the region] about going to a full free-enterprise system."

Other factors may intervene in American investment plans. In recent weeks, analysts have been cautioning companies about the economic slowdown that could come in Eastern Europe as a result of rising oil prices. This forecast is strengthened by the plans of countries in the region to pay one of their major oil suppliers — the Soviet Union — with hard currency starting next year.

The Soviet Union itself is something of a special case as far as American investment is concerned. Its enormous internal market and vast natural resources dwarf those of the countries in Eastern Europe, and these attractions have been a big drawing card for major U.S. companies.

American firms currently are number one, as far as the West is concerned, in the value of investments in the Soviet Union, and the interest is not flagging despite the fact that the process of economic and political reform is disrupting lines of authority in the government. Yet the latest big U.S.-Soviet trade deals still have a flavor of the past. Pepsico will be exchanging its soft drinks for freighters and tanker ships as well as the ubiquitous vodka. The Soviets will trade a number of barter items — probably oil, gold and diamonds — for Philip Morris cigarettes.

Analysts suggest that U.S. investment in the Soviet Union will always be limited as long as the country does not make a clean break with doctrinaire socialist economics. "You have to destroy the old system to let the new system survive," Mr. Hormats says. "The trap people fall into is thinking they can combine the new with the state-run system."

In spite of the caution, West-to-East investment success stories are being reported. Gabe Fulop, a Valley Forge, Pa. physicist, left his native Hungary as a child 40 years ago. But he never lost touch with his country, and he developed an interest in entrepreneurial ventures as he pursued his scientific career. Last year, he combined his connections in Hungary with his business skills to open a sign-making company in Budapest, backed by American investors. The company, Artflex Ltd., uses computer technology and machinery bought from a Denver firm to design the signs and cut out the letters from vinyl. The manager is a veteran of the small-scale business scene that has thrived outside of state control in Hungary for many years. Artflex must be doing something right. Although he will not disclose exact figures, Mr. Fulop says the company had a net income five times the initial investment in its first year of operation. Thanks to changes in Hungarian law last year, profits from the enterprise can be repatriated back to the United States in dollars. "This business is growing so fast it will be medium-sized next year. We're feeling all the pains of rapid growth," Mr. Fulop says cheerfully.

Steve Dryden

Should Your Company Invest in Eastern Europe?

The first thing a foreign company should decide is whether it is interested in Eastern Europe for its export potential or its domestic sales.

	Company type	Company characteristics	How favorable is a *near-term* move	Examples
Attracted by export potential?	Labor-intensive	Large EC or Middle-East customer base	Very favorable	Levi-Strauss
	Capital-intensive	Exports farther afield	Favorable	GE-Tungsram
		Need indigenous raw materials or low-cost processed inputs	Very favorable	Guardian Glass
		Using imported RMs	Unfavorable	Olivetti
Attracted by domestic sales potential?	Infrastructure/Banking/ Utilities/Construction	Enter now to be optimally positioned for the long-term	Very favorable	Dresdner Bank/CitiCorp
	Basic consumer goods	Position company for a growing market as recession is overcome in the short term	Favorable	Black and Decker
	Sophisticated consumer goods	No great advantage from early entry, unless targeted at the niche of high-net-worth individuals	Unfavorable	Gucci/Benetton

Source: Central Europe Investments

Briefs / The Countdown Continues

Passage to the East Eases for Business

● In June, the **Coordinating Committee on Multilateral Export Controls (COCOM)**, which has for 40 years set Western rules on what technology can or cannot be sold to communist nations, approved a significant relaxation of the restrictions. For Honeywell Inc., the Minneapolis-based manufacturer of electronic products, the easing of controls is proving to be a good sales tool in Eastern Europe. The COCOM decision "decontrolled one of our major process automation lines," says Charles Hough, director of trade administration for Honeywell.

● **The International Planning and Analysis Group (IPAC)**, a Washington D.C.-based marketing and consulting firm, has for several years advised American companies that want to enter the East European market. The firm possessed an especially good source of knowledge — Mark Raczynski, a Polish emigré with a background in engineering and business experience in Europe and the United States. Mr. Raczynski is ready to discuss prospects in any East European country, but as a veteran of the Polish underground army in World War II and the Warsaw uprising, he has an understandable bias toward directing business to his native land. "The amount of American investment in Poland has been very disappointing," he says, but he believes that Poland is going to make investment regulations and currency rules more encouraging. What's a good area for trade? "I think one thing that is bound to come in Poland is a housing boom," he says. "There is a tremendous shortage. So there will be a great demand for anything that goes with housing — starting with toilet bowls and ending with ceramics."

● From its new headquarters in the business hub of La Défense west of Paris, the **University of Hartford Business School** helps students prepare for the global market of the '90s. The school offers a three-year evening Masters in Business Administration program that includes a three-and-a-half-month or five-week summer session on its West Hartford, Connecticut campus. The shorter session is designed to fit the needs of part-time European students who would like to study in the United States during their summer holidays. Also in preparation for January 1991 is a Professional Development seminar series featuring daytime or evening courses in marketing, management and information systems.

● **Standardization of all credit card systems** in the EC is a major proposal contained in a report under study by the EC Commission aimed at improving the Community's cross-border payments systems. The draft, which strongly urges adoption of permanent locking of exchange rates as part of the plan for economic and monetary union, also urges establishment of a payment systems coordinating group, which would analyze all future proposals aimed at improving cross-border banking services.

● A proposed **Third Directive on non-life insurance**, aimed at eliminating the final hurdles in the insurance market and providing lower-cost services, was recently submitted for approval by the EC Council of Ministers. The ministers asked for more technical work on the directive by commission experts before voting. A final decision is expected shortly. The directive, if approved, would allow insurance companies established in one EC member state to offer all their services, except life insurance, in every other state without being previously authorized or established there. A single license issued by one country will be the only prerequisite.

● The two major U.S. and EC research bodies seeking to develop their semiconductor industries have agreed to begin cooperation in several key areas. Members of the European **JESSI** organization and the American-supported **SEMATECH** group, at a two-day meeting in Austin, Texas last month, agreed to launch "a standards program" and identified areas where "reciprocal sharing" of technology would benefit member companies on both sides of the Atlantic. The two groups were previously regarded as intense competitors.

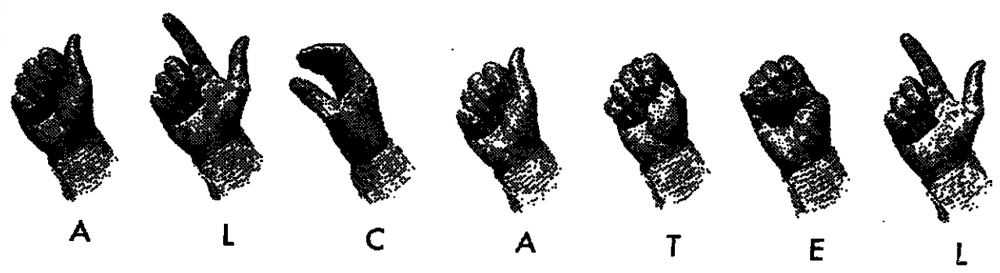
● New powers of the EC Commission to regulate **large mergers and acquisitions** became effective September 21. Following last-minute changes, the regulation approved by the council allows the commission to intervene when the companies involved in a bid or merger have world sales exceeding ECU5 billion, or where the sales of at least two of the companies involved exceeds ECU250 million. Member states have kept the option of referring actions to the commission if the amounts involved are below these thresholds.

● **U.S. investments in EC countries** are leading a continuing spending boom by foreigners. Investments by U.S.-owned affiliates in Europe were up by one-third during the past two years, totaling $22 billion annually, according to the Brussels-based Conference Board Europe, a non-profit analysis group.

PART-TIME MBA
Acquire managerial skills at the highest level: obtain a **Master of Business Administration Degree** in evening classes over a 3-year period
Start in November with Human Factors in Management taught by the University of Hartford Faculty
For more information, contact Pamela Meade at the
UNIVERSITY OF HARTFORD BUSINESS SCHOOL
8, Terrasse Bellini, Paris-La Défense 11, 92807 Puteaux Cedex
Telephone: 49 00 19 61 - Fax: 47 76 45 13
Enseignement Supérieur Privé - Association Loi 1901

1492
Christopher Columbus discovers America.
500 Years later
1992
The Europeans discover Europe.
NOW. Discover Germany by learning German
PLEASE SEND ME FREE DETAILS OF YOUR LANGUAGE COURSES IN GERMANY.
OR IN _____ COUNTRY
NAME _____
ADDRESS _____
GOETHE-INSTITUT
LENBACHPLATZ 3 · D-8000 MÜNCHEN 2 TEL 089/59 99-200
1390

The answer to all your communication problems.



Whatever country you're in, we speak your language. Whatever business you're in, we have an understanding of it. And whatever communications system you utilise, we already deal in it.

In fact, you'll never find us wanting or lacking. Not today nor in the future. (Over $1·5 billion invested every year in research and development sees to that.)

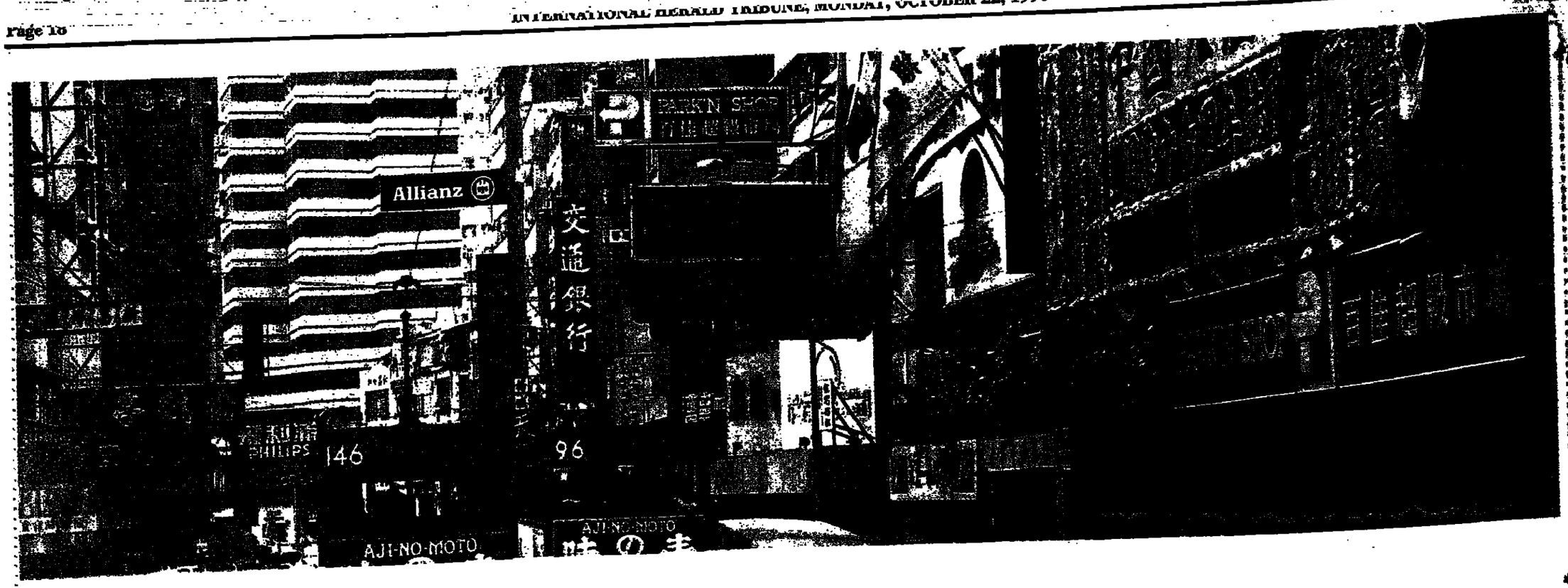
Our field of expertise includes: Network Systems, Business Systems, Cables, Radiocommunications – Space and Defense, and Network Engineering and Installation. Operating in 110 countries throughout the world.

Global we may be, but our advice is always local and tailored to your individual needs; that's exactly what Alcatel's 120,000 worldwide experts are there for.

That leaves us with just one thing to add. Whatever your communication problem is, we most definitely have the solution.

ALCATEL
Alcatel n.v., World Trade Center, Strawinskylaan 341, NL 1077 XX Amsterdam, The Netherlands.

Page 14 INTERNATIONAL HERALD TRIBUNE, MONDAY, OCTOBER 22, 1990



Europe's No. 1 insures your risk. Being at home where you are.

Familiarity with regional situations is the precondition for offering the right insurance cover for every risk. Allianz is at home in 39 countries all over the world. For 100 years comprehensive technical and financial resources have made Allianz a proven partner for business.

Chance has played no role in making us the leader in the demanding European market. Nowadays, Allianz insures major industrial and technical projects all over the world:

Allianz

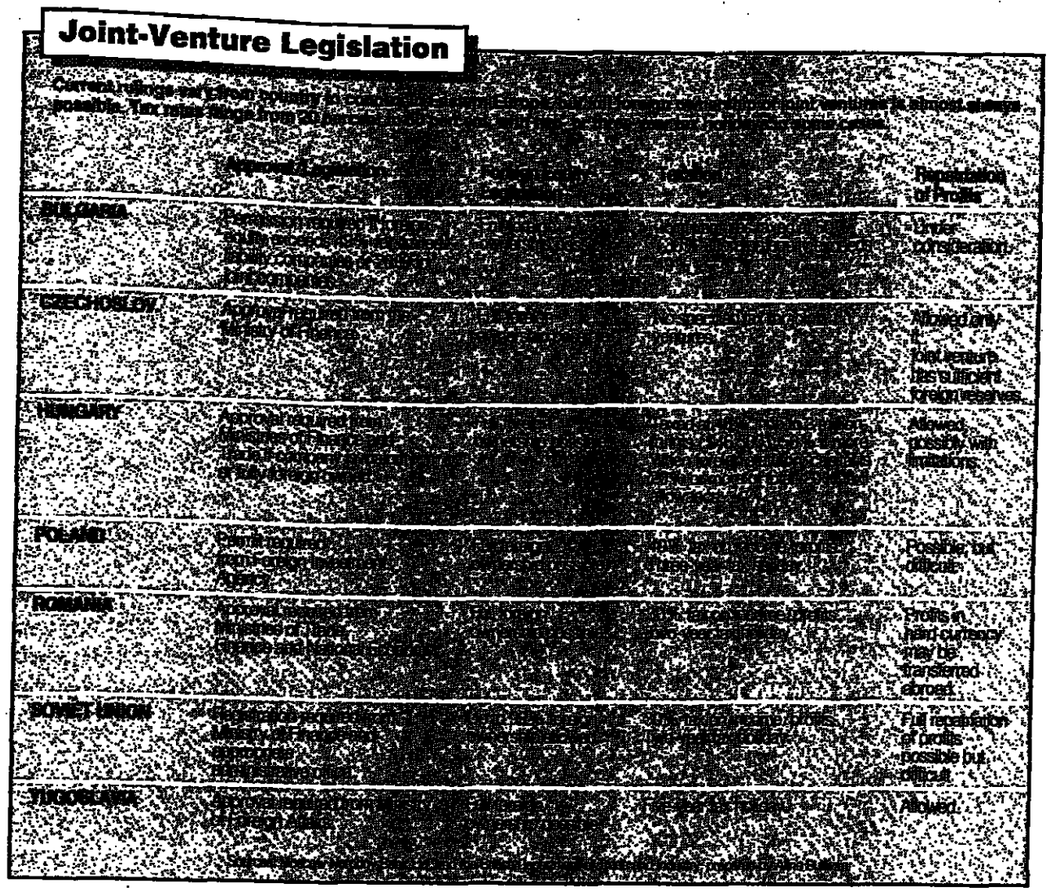
EUROPE'S LEADING INSURANCE COMPANY

Allianz worldwide: Argentina · Australia · Austria · Belgium · Bermuda · Brazil · Canada · Chile · Denmark · Egypt · France · Germany · Great Britain · Greece · Hong Kong · Hungary · Indonesia · Ireland · Italy · Japan · Liechtenstein · Mexico · Netherlands · New Zealand · Norway · Peru Portugal · Saudi Arabia · Singapore · South Africa · Spain · Sweden · Switzerland · Tunisia · Turkey · U. Arab Emirates · USA · Venezuela · Yugoslavia

هكذا من الأصل

1992 The World's Rendezvous With Europe

Joint-Venture Legislation



Banks / Management Training

Western Banking Know-How Goes East

Widespread banking reforms are essential in Eastern Europe. Western banks are transferring their know-how to help the region catch up to the West economically — and to position themselves in new markets.

Western banks are generally interested in helping East European nations move from centralized to free-market economies. Banks say that seminars often begin with basics, such as the role of banks in the economy, capital markets and securities, establishing interest rates, foreign payments, computerizing operations and the granting of loans.

"You have to virtually begin from scratch. Many East European bankers only had to act like administrative clerks," says Ernst Jankowitsch, managing director of the Creditanstalt Academy, the training center of Austria's largest bank. "They have to learn how to run banks like profit-making enterprises. That was not necessary up until now."

Peter Gwinnett, senior manager for East European operations at Barclays Bank in London, concurs: "Courses in general banking are needed on all levels. East European banks were never market-oriented, and were given orders. Now they have to make decisions, take the initiative, learn management skills. For example, they never had to examine a company's balance sheets or look at the risks in a given transaction."

Joint ventures with East European banks usually entail management training by the Western partners. However, Western institutions are going out of their way to offer separate courses, using them to establish their reputations in the region and to achieve a competitive advantage. "Every bank has a bottom-line, long-term business angle," says Mr. Gwinnett.

According to Reinhard Wind, senior regional manager for Österreichische Länderbank in Vienna, Western banks aim to take advantage of newly made contacts, hoping East European bankers will grant them international business or send them their clients. In addition, he says, seminars are a means of targeting qualified local personnel for future bank activities.

Austrian institutions, capitalizing on traditional historic and economic ties, are in the vanguard of Western activities. Creditanstalt Bankverein is hosting an East European group this fall for two weeks in Vienna following a two-week training course for division managers earlier in the year. Länderbank has held seminars in Prague, Budapest, Ljubljana and Bulgaria and at the Institute for World Business and International Relations in Moscow. Girozentrale Vienna is also intensifying its efforts to train East Europeans.

The Frankfurt-based Deutsche Bank is concentrating on former East Germany. According to a spokesman, the bank absorbed 120 branches and 8,500 employees from the Deutsche Kreditbank. Deutsche Bank is offering on-the-job training for many East German employees, as well as courses for 500 bank apprentices.

Western banks hope for a "snowball effect" in having East Europeans transmit knowledge gained to other colleagues. "With a new understanding of banking, they will go back home and slowly stimulate change," Mr. Jankowitsch of Creditanstalt says.

The Banking Institute of Associated Banks of Europe, located in Bad Homburg in West Germany, is now offering training courses for East European managers, and Banque Nationale de Paris is currently playing host to six East European managers for six months, as well as sponsoring a seminar in September for 20 to 30 Soviet bankers. However, according to Maurice Maure, the bank's manager of East European operations, no single institution can possibly tackle the sheer numbers of people who need to be trained, so Western organizations should work together.

Clifford Stevens

Banks say seminars begin with basics

Eastern Europe / Potential and Pitfalls

Investors Need Patience and Flexibility

Continued from Page 15

companies willing to sacrifice short-term profits.

As an adviser to the Polish government, Mr. Gabrielczyk encourages Westerners to invest their money in Poland rather than in other East European countries, largely because of its size, central location and historic trade relations with Russia. He also cites cheap labor and the fact that the Solidarity-led government's "shock therapy" for the economy has wiped out the currency black market and resulted in the zloty being internally convertible to the dollar.

Mr. Gabrielczyk feels Poland's chief rivals for the Western dollar are Hungary and Czechoslovakia; East Germany has been absorbed into West Germany, and other emerging Soviet satellites such as Bulgaria and Romania have not yet taken the political or economic steps necessary to allow them to compete effectively for foreign investment and trade.

The competition among Hungary, Czechoslovakia and Poland — comparable to U.S. presidential primary candidates who all support the same broad goals but who each claim a unique ability to achieve them — has sent their various representatives stumping across Western Europe and America looking for prospective trade partners and investors.

Imre Rethy, finance director of Skala Co-Op, which dominates Hungarian retailing, emphasizes Hungary's political stability, cheap import licenses, duty-free schemes, convertible currency, limited competition and relatively low but rapidly rising consumer consumption. "We're looking for joint ventures," Mr. Rethy tells audiences of foreign retailers.

Judith Gergely, a Budapest investment adviser, points out that Western companies participating in joint ventures can send in their own managers, enjoy substantial tax breaks and take advantage of a lack of wage controls. She admits that Hungary, like other East European countries, suffers from a dismal lack of productivity. She says, however, that labor efficiency in joint ventures involving Westerners is three to six times as high as for other Hungarian corporations, and profitability is twice as high.

Bohuslav Klein, an official with the Czechoslovak Chamber of Commerce, says inquiries from the West are up "1,000 percent" in the past year. He spends much of his time meeting would-be investors and sifting through their proposals. "A lot of them are cowboys who come in and think they're going to make a lot of money real fast," Mr. Klein says. "They're in Prague for 23 hours, and they're ready to invest millions. I tell them that's not even enough time to find a nice restaurant."

Martin Svehla, a spokesman for the State Bank of Czechoslovakia, says Western investment — joint ventures in which the East European partners share in the financial risk — is hampered by the lack of a Western-style banking system. Few banks make commercial loans, and interest rates can be as high as 60 percent annually. In addition, Mr. Svehla says, Western manufacturers typically must start from the ground up when coming to Eastern Europe; they are finding few products that can be marketed abroad. "We make a lot of goods nobody wants," he says.

Westerners struggling to do business in Eastern Europe point to information technology flaws, poor management and inefficient retail distribution, along with the lack of a familiar business culture, convoluted legal requirements and almost worthless bookkeeping and accounting.

And then there is the problem of dealing with communist legal systems in which individuals are barred from owning property. "For a property developer to prosper, the most important factor is certainty of ownership," says Iain Watters of the London-based property investment firm MEPC, which has $6 billion in worldwide holdings but is not rushing to expand into the East. The East European countries all appear to endorse the idea of private land ownership, Mr. Watters says, but what about people who stake old family claims based on deeds or possession from pre-communist times? "All you bold property developers will feel pretty silly if old Friedrich pops up claiming his allotment in the middle of your one-million-square-foot shopping center," he recently told a group of Americans and Europeans at a Helsinki conference on shopping-center development.

Aside from their internal woes, which include mounting inflation, outside events have not been kind to Eastern Europe's fragile economies in recent weeks, particularly with a double oil blow. First, the Soviet Union, the world's largest oil producer, said it was cutting its oil shipments to Eastern Europe and would demand hard-currency payments instead of barter for future shipments. Second, the Middle East crisis has shut off a major trade avenue through which oil was being swapped for East European products such as food, clothing, medicine, machinery and weapons.

All the obstacles have frightened off many would-be investors and traders from Eastern Europe. But not all. Some farsighted executives and financiers, the ones with confidence in their own flexibility, still have confidence in Eastern Europe's potential.

Tony O'Reilly, chairman and CEO of the Pittsburgh-based Heinz food empire, recently announced plans to explore joint ventures in Eastern Europe. "The biggest difficulty with the East," he says, "is to realize what they don't understand."

Timothy Harper

Media / New Strategies Needed

Western Giants Trying To Go Local

Western Europe's media giants have announced a spate of deals in Eastern Europe over the past few weeks. The market they are rushing to enter is large and sophisticated — and highly fragmented.

The announcement in September that Gruner + Jahr (a subsidiary of Bertelsmann, one of the world's largest media companies) would team up with British communications tycoon Robert Maxwell in buying the most profitable publishing house in East Germany, Berliner Verlag, was hailed as a bold, trendsetting move by the West European press.

A total of 122 million TV households in the East

The DM250-300 million ($161 to $193 million) deal (the exact price was not divulged) includes F.F. dabel (East Germany's TV Guide) and nine other popular periodicals and newspapers. Another recent announcement revealed that Robert Hersant, France's Citizen Kane, is buying a major stake in the Hungarian daily newspaper Magyar Nemzet and launching Business in the U.S.S.R. Meanwhile, West Germany's leading advertising agency, Lintas, has launched "adinfo" consumer TV (and two other programs in East Germany), and a Czechoslovakian national broadcaster has entered into a comprehensive barter advertising agreement with a Western partner.

But behind Gruner + Jahr's deal is a strategy change. Like many Western publishers and broadcasters that initially foresaw a blanket acceptance of their products or thought that all they had to do was buy their way into their respective markets, Gruner + Jahr soon saw that its Stern, Geo and other high-price, glossy (by Eastern standards) periodicals were not selling across the border.

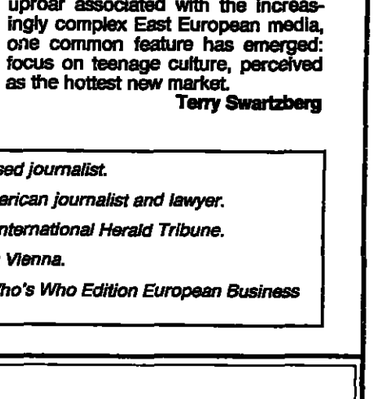
The company's response: new, cheaper products that are local enough for East German readers. Instead of dictating by assumption, Gruner + Jahr has joined a long list of Western sellers letting the East's highly knowledgeable consumers tell them what is on their wish list. And a long and varied list it is: Bruce Lee videos to the Saxony region in East Germany, Sophia Loren movies in the Soviet Union, French game shows and German TV news magazines in Poland, auto magazines in Hungary.

There are two main perspectives on the East European media market. One is positive, focusing on the region's raw size and degree of development: around 122 million television households (76 percent of the total population), almost 100 percent literacy, a long tradition of "self-supply" — smuggling video cassettes and books and tapping in on Western broadcasts — and now market freedoms matching rapidly developing freedom of the press.

The more cautious view is of Eastern Europe as a crazy-quilt of local tastes, restrictions and commercial enterprises, in which Romanians are still relying on foreign broadcasts for information and entertainment while Czechs can enjoy three broadcasting networks as well as a private-sector channel that airs CNN, Screensport, Worldnet and MTV.

Bulgaria is one of the best examples of the East's contradictions. Its new-old socialist government has been negotiating with Maxwell, Murdoch, Berlusconi, Superchannel and West German publishers for the right to take an equity in a third commercial TV channel, although the government remains unstable and advertising income is lacking.

With the possible exceptions of East Germany, where media has joined sport, property ownership and the scheduling of school holidays on the list of difficult-to-resolve German-German questions, and the Soviet Union, where an early September decree essentially gave the broadcast media the same deregulated freedoms as those in print, no country is as turbulent as Hungary. "Nearly every week a new magazine" in Hungary, reports a headline in the Sud-deutsche Zeitung. Leading titles are said to be Tözsde Curir and Privát Profit, the former a report on the budding Hungarian stock market and the latter full of tips on how to invest one's money.



PAUL GLASER

New publications are proliferating.

Many Budapest publishing houses, faced with the same loss of readership to television that their East European counterparts have experienced, have turned to producing profit-making computer manuals. Newspapers, faced with their own difficulties, have followed the Polish example and introduced massive color TV supplements.

Amid all the political and economic uproar associated with the increasingly complex East European media, one common feature has emerged: focus on teenage culture, perceived as the hottest new market.

Terry Swartzberg

Steve Dryden is a Washington D.C.-based journalist.

Timothy Harper is a London-based American journalist and lawyer.

Axel Krause is corporate editor of the International Herald Tribune.

Clifford Stevens is a journalist based in Vienna.

Terry Swartzberg is editor-in-chief of Who's Who Edition European Business and Industry.

"Mr. Thompson is here from PacTel—he says he's eleven years early."

Planning Ahead. The PacTel® Corporation is providing now for the telecommunications needs of the twenty-first century. Our companies have cellular, paging, computer and telephone service projects in place, around the world. And as a member of the multi-billion dollar Pacific Telesis Group, we have the resources and expertise to tailor solutions to the problems of the next century. Are we getting ahead of ourselves? The twenty-first century is only eleven years away.

Pacific Telesis International PacTel Cellular PacTel Paging PacTel Business Systems PacTel Properties PacTel Telemac PacTel Cable

PACTEL Corporation
A Pacific Telesis Company

© 1990 PacTel Corporation

MONDAY SPORTS

Ismail and Irish Finish Miami

By Malcolm Moran
New York Times Service

SOUTH BEND, Indiana — The last word was goodbye, and belonged to the Fighting Irish of Notre Dame, a team whose coach had said it no longer had a chance to win a national championship.

But the possibility of a title became stronger after Notre Dame's 29-20 victory Saturday over Miami in the final meeting scheduled between the two schools.

Miami, the defending national champion and the No. 2 ranked team in The

COLLEGE FOOTBALL

Associated Press poll, learned the hard way that the inspiration perfected by Knute Rockne and even a dash of Raghib Ismail could be overcome, but only by stopping the rush and avoiding mistakes.

The Hurricanes did neither. Notre Dame's offense did not score a touchdown until there were 6 minutes, 16 seconds to play, on a 21-yard pass from Rick Mirer to Rodney Culver.

But Notre Dame's ability to gain 276 yards on the ground, against what had been the nation's second-ranked defensive unit against the rush, created enough opportunities for Craig Hentrich to kick a school-record five field goals.

Craig Erickson, the Miami quarterback, completed 20 of 36 passes for 355 yards, but he had two passes intercepted. In all, Miami (4-2) had four turnovers, with Leonard Conley's fumble at the Irish two-yard line with 4:44 to play ending any realistic chance for Miami.

In the 23d and final game of what Notre Dame officials have called a too-emotional series, the No. 6 Irish (5-1) were rescued by Ismail's 94-yard kickoff return for a touchdown in the second quarter, then held Miami to three points in the final 38 minutes.

Ismail slipped as he started up the middle on his touchdown run, regained his balance, ran through the first wave of tacklers, cut left, then outraced Maurice Crum up the left sideline. It was Ismail's fifth kickoff return for a touchdown at Notre Dame and brought him within one of the National Collegiate Athletic Association record, set by Anthony Davis of Southern California from 1972-74.

In other games, The Associated Press reported:

No. 1 Virginia 49, Wake Forest 14: Unlike Notre Dame and Michigan, the No. 1 teams that preceded them, the Cavaliers did not meet with disaster. Trailing by 14-9 with nine minutes left in the first half in Winston-Salem, North Carolina, the Cavaliers (7-0) got a field goal, two touchdowns and two two-point conversions in the next six minutes.

Running backs Nikki Fisher and Terry Kirby each gained more than 100 yards and quarterback Shawn Moore threw for 258 yards and two touchdowns for the nation's top college offense. The Cavaliers had been averaging 48 points and 540 yards a game; Saturday, they were one point and 34 yards better.

Alabama 9, No. 3 Tennessee 6: Philip Doyle kicked his third field goal, a 48-yarder, as time expired in Knoxville, Tennessee and Alabama ended the nation's longest unbeaten streak at 12 games.

Stacy Harrison blocked a 50-yard field goal attempt by Tennessee's Greg Burke with 1:35 left, putting the Tide in position.

No. 4 Nebraska 31, Oklahoma State 3: The Cornhuskers (7-0) won in Lincoln, Nebraska, with the help of two kick returns by Tyrone Hughes and a recovery of a fumbled kickoff by Robert Hicks for a touchdown.

No. 5 Auburn 20, No. 7 Florida State 17: Jim Von Wyl kicked a 38-yard field goal with two seconds remaining in Auburn, Alabama. Quarterback Stan White helped Auburn (5-0-1) get in position for the kick with a fourth-down, 21-yard completion to Herbert Casey.

No. 8 Illinois 15, No. 24 Michigan State 13: Doug Higgins's fifth field goal, a 48-yarder with 42 seconds left, won the game in Champaign, Illinois.

No. 9 Houston 44, SMU 17: In Dallas, David Klingler set NCAA records by passing for 461 yards and five touchdowns, three to Manny Hazard, as Houston improved to 6-0.

Klingler, the nation's total offense leader, also broke NCAA records with his 76 passes and 48 completions.

No. 22 Iowa 24, No. 10 Michigan 23: Matt Rodgers, who passed for one touchdown and ran for another, led an 85-yard drive to the winning touchdown in the closing minutes in Ann Arbor, Michigan. Paul Kujawa ran in from the one for the winning score, marking the first time since 1967 that Michigan had either lost a homecoming game or been beaten in consecutive games at home.

No. 11 Georgia Tech 13, North Carolina 13: Scott Sisson's 27-yard field goal with 61 seconds left gave Tech the tie in Chapel Hill, North Carolina.

No. 13 Washington 52, Stanford 16: Mark Brunell passed for two touchdowns and ran for one, and Greg Lewis scored twice for the Huskies (6-1) in Palo Alto, California.

No. 14 Colorado 41, Kansas 10: Eric Bieniemy rushed for 174 yards and three scores in Lawrence, Kansas, becoming Colorado's all-time scoring leader.

Arizona 35, No. 15 Southern Cal 26: In Los Angeles, quarterback Ronald Veal, in a reserve role, scored three touchdowns and Darryl Lewis twice intercepted USC's Todd Marinovich.

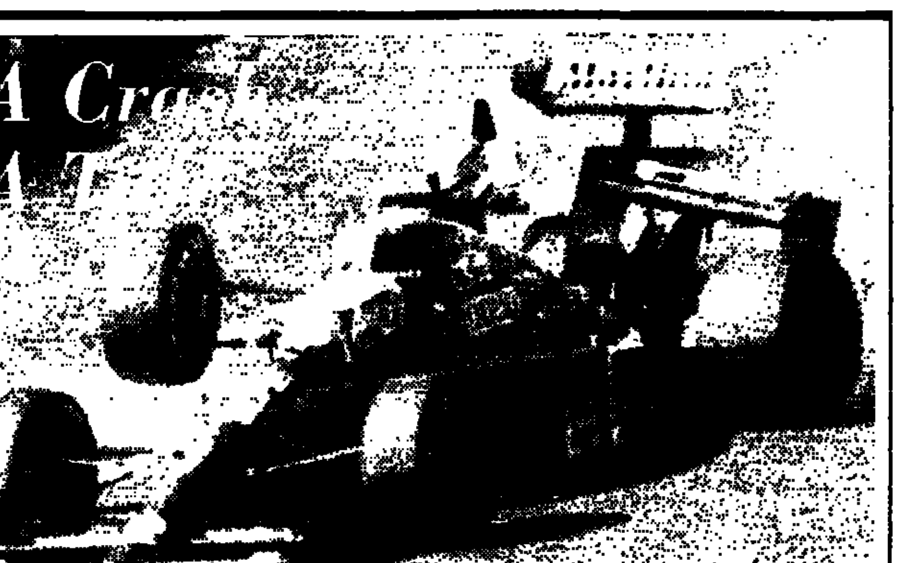
Iowa St. 33, No. 16 Oklahoma 31: Chris Pederson scored from the one with 35 seconds left as Iowa State rallied from a 14-point deficit in Norman, Oklahoma.

No. 17 Florida 59, Akron 0: Shane Matthews threw for 283 yards and three touchdowns in Gainesville, Florida.

No. 18 Mississippi 42, Arkansas St. 13: In Oxford, Mississippi, Randy Baldwin scored four touchdowns in the first 19 minutes.

No. 19 Texas 49, Arkansas 17: Peter Gardere passed for a touchdown, ran for one and led four scoring drives in Austin, Texas.

Minnesota 12, No. 20 Indiana 0: Brent Berglund kicked two field goals and Minnesota shut out the nation's fourth-highest scoring offense in Minneapolis.



Kazumori Nonaga/Reuters
Alain Prost, foreground, said Ayrton Senna deliberately took him out of the race in this crash.

Senna Claims Crown and Prost Claims Dirty Tricks

Compiled by Our Staff From Dispatches

SUZUKA, Japan — The most bitter feud in Formula One auto racing was reopened Sunday as Ayrton Senna clinched the world drivers' title after colliding with his closes rival, Alain Prost, at the first corner of the Japanese Grand Prix.

Prost accused Senna of deliberately driving him off the track, suggested the Brazilian was not human and described his actions as disgusting.

Senna blamed Prost for "closing the door" on him and said he did not "give a damn" about the Frenchman's criticisms.

Because neither driver could finish, Senna walked away with the title. He leads Prost by nine points, so many that even if Prost wins the season's final race, in Adelaide, Australia, on Nov. 4, the Prost driver can't overtake Senna.

A year ago, on this same track, the two men collided with six laps left. Prost was forced to retire, Senna restarted only to be disqualified and the title went to Prost.

Sunday, Nelson Piquet of Brazil made the most of the situation, claiming his first victory in three years on the circuit. Compatriot Roberto Moreno was second, like the winner in a Ford-Benetton.

But the race was overshadowed by the events surrounding Senna and Prost.

Senna, on the pole in a McLaren-Honda, was beaten off the grid by Prost's Ferrari. Senna tried to force his way through on the inside at the first corner. The cars collided and spun into the sand.

Senna said he "went for the gap. He unfortunately closed the door and I could not avoid the collision."

Prost said: "He did it on purpose because he saw that if I made a good start that my car was better so be had no chance to win the race."

Prost said the move was "more than unsporting. It is disgusting." He continued, "I thought he was one of the human race."

After the crash, Gerhard Berger took the lead, but spun off a lap later at the same spot. That left Nigel Mansell in front in a Ferrari, but after leading for 25 laps he retired with transmission problems.

The race was then wide open and the Benettons took command. Moreno was driving as a replacement for Alessandro Nannini of Italy, severely injured in a helicopter crash. *(Reuters, AP)*

SIDELINES

Lendl Rallies Past Chang

HONG KONG (AP) — Ivan Lendl rallied to beat Michael Chang, 1-6, 6-2, 6-1, 6-2, Sunday and win the Hong Kong Tennis Championships.

Chang broke Lendl twice in the opening set but could win only one of five service games in the third.

• In Antwerp, Belgium, Goran Ivanisevic used fast serves and strong groundstrokes to beat Henri Leconte, 6-2, 7-6 (8-6), 4-6, 4-6, 6-1, in the final of the European Community Championship. Leconte had defeated top-seeded Stefan Edberg in the semifinals.

Bugno Takes Cycling Cup

MONZA, Italy (AP) — Gilles Delion of France won the Tour of Lombardy cycling classic, but Italy's Gianni Bugno, more than four minutes behind, clinched the overall World Cup title.

The Italian race, the last of the international road season, was the next to last event of the World Cup, a competition based on the best results of each cyclist in 12 competitions.

French Horses Win on Turf

LAUREL, Maryland (WP) — With a late burst of speed typical of European horses, French 2-year-olds won two races of the International Turf Festival at Laurel Race Course in suburban Washington.

Tycoon's Drama rallied from last place to win the Selima Stakes for fillies on Saturday, then River Traffic came from far back in the Laurel Futurity. Both were ridden by Cash Asmussen, a leading jockey in New York before he moved to France.

• At Belmont Park in Elmont, New York, the Irish-bred jumper Morley Street won the $250,000 Breeders' Cup Steeplechase by 11 lengths Saturday.

For the Record

The Washington Capitals on Saturday signed Soviet defenseman Mikhail Tatarinov, who played the last four seasons with Dynamo Moscow. *(AP)*

The United States, led by a 67 from teenager Vicki Goetz, won the women's world amateur golf team title in Christchurch, New Zealand. *(Reuters)*

Moon Sung Kil of South Korea scored a unanimous decision over Japanese challenger Kenji Matsumura to retain his World Boxing Council super-flyweight title Saturday despite suffering injuries that stopped the bout in the sixth round in Seoul. *(AP)*

Lew Worsham, winner of the 1947 U.S. Open golf title, died Friday at 73 in Poquoson, Virginia. *(AP)*

SCOREBOARD

FOOTBALL

Major College Scores

EAST
Army 56, Lafayette 0
Boston U. 15, Rhode Island 13
Brown 24, Penn 17
Colgate 31, Fordham 7
Connecticut 35, Maine 20
Dartmouth 11, Cornell 6
Harvard 23, Princeton 20
Holy Cross 34, Lehigh 22
Louisville 27, Pittsburgh 20
Massachusetts 17, Delaware 3
New Hampshire 59, Northeastern 7
Penn St. 40, Boston College 21
Syracuse 42, Rutgers 0
Temple 31, Virginia Tech 28
Yale 31, Columbia 7

SOUTH
Alabama 9, Tennessee 6
Auburn 20, Florida St. 17
Citadel 38, South Carolina 35
Clemson 24, N. Carolina St. 17
East Carolina 56, Cincinnati 32
Florida 59, Akron 0
Florida A&M 37, S. Carolina St. 17
Georgia 39, Vanderbilt 28
Georgia Tech 13, North Carolina 13, tie
LSU 30, Kentucky 20
Maryland 23, Duke 20
Mississippi 42, Arkansas St. 13
Mississippi St. 38, Tulane 17
S. Mississippi 23, Memphis St. 7
VMI 66, W. Virginia Tech 27
Virginia 49, Wake Forest 14
William & Mary 45, Bucknell 17

MIDWEST
Bowling Green 25, E. Michigan 15
Cent. Michigan 13, Toledo 12
Colorado 41, Kansas 10
Illinois 15, Michigan St. 13
Iowa 24, Michigan 23
Kent St. 44, Ohio U. 15
Minnesota 12, Indiana 0
Missouri 31, Kansas St. 10
Nebraska 31, Oklahoma St. 3
Northwestern 44, Wisconsin 34
Notre Dame 29, Miami, Fla. 20
Ohio St. 42, Purdue 2
W. Michigan 14, Ball St. 13

SOUTHWEST
Houston 44, Southern Meth. 17
Iowa St. 33, Oklahoma 31
Miss. Valley St. 24, Texas Southern 21
Rice 42, Texas Tech 21
SW Louisiana 25, Tulsa 13
Texas 49, Arkansas 17
Texas A&M 20, Baylor 20, tie

FAR WEST
Arizona 35, Southern Cal 26
California 38, UCLA 31
Colorado St. 47, New Mexico 7
Fresno St. 28, Long Beach St. 16
Hawaii 45, Fullerton St. 21
Idaho 51, E. Washington 28
Montana 48, N. Arizona 14
Nevada 26, UNLV 14
Oregon 27, Arizona St. 7
San Jose St. 34, Utah St. 27
Utah 37, Texas-El Paso 23
Washington 52, Stanford 16
Washington St. 55, Oregon St. 24
Wyoming 21, Weber St. 12

GOLF

Final scores Sunday from the Portuguese Open in Quinta Do Lago:

Mike McLean, U.K.	69-69-65-71—274
Mike Harwood, Australia	70-68-71-66—275
Gordon Brand Jnr., U.K.	68-70-68-69—275
Mark James, U.K.	68-69-70-69—276
Paul Broadhurst, U.K.	70-69-68-69—276
Rick Hartmann, U.S.	68-68-73-68—277
Ove Sellberg, Sweden	67-68-70-72—277
Martin Poxon, U.K.	73-68-69-68—278
David Williams, U.K.	72-69-69-68—278

CYCLING

World Cup

Results from the Tour of Lombardy, the 11th and next to last event in the 1990 World Cup:

1. Gilles Delion, France, six hours, 11:45 minutes (39.704 kmph); 2. Pascal Richard, Switzerland; 3. Charlie Mottet, France; 4. Robert Millar, Scotland; 5. Federico Echave, Spain, all the same time as winner; 6. Claude Criquielion, Belgium, 3:36 minutes behind; 7. Leonardo Sierra, Venezuela, same time; 8. Marino Lelarreta, Spain, 3:38; 9. Thomas Wegmuller, Switzerland, 3:56; 10. Sean Kelly, Ireland, 4:06 minutes behind.

World Cup Standings

1. Gianni Bugno, Italy, 120 points; 2. Rudy Dhaenens, Belgium, 95; 3. Sean Kelly, Ireland, 89; 4. Franco Ballerini, Italy, 81; 5. Gilles Delion, France, 73; 6. Moreno Argentin, Italy, 62.

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division	W	L	T	Pts	GF	GA
Philadelphia	6	2	0	12	35	24
NY Rangers	6	3	0	12	36	25
New Jersey	5	3	1	11	30	31
Washington	4	5	0	8	28	30
Pittsburgh	3	4	1	7	32	33
NY Islanders	2	5	0	4	19	24
Adams Division						
Hartford	4	3	2	10	28	28
Boston	4	4	1	9	27	35
Montreal	4	4	1	9	28	33
Quebec	3	3	3	9	32	35
Buffalo	1	4	3	5	27	30

CAMPBELL CONFERENCE

Norris Division	W	L	T	Pts	GF	GA
Chicago	5	4	0	10	27	23
Detroit	4	3	2	10	33	35
St. Louis	4	3	1	9	21	25
Minnesota	1	5	2	4	19	30
Toronto	1	6	1	3	19	33
Smythe Division						
Los Angeles	6	1	1	13	39	20
Calgary	5	3	0	10	33	22
Vancouver	4	3	0	8	27	24
Edmonton	2	2	2	6	25	21
Winnipeg	2	6	1	5	30	33

FRIDAY'S RESULTS

N.Y. Rangers 0 1 1—2
New Jersey 2 0 1—3
Leetch (3), Nicholls (5); Sundstrom (2), Ysebaert (3), Shanahan (3). Shots on goal: New York (on Terreri) 13-5-9—27. New Jersey (on Richter) 11-12-13—36.

Pittsburgh 1 3 0 0—4
Buffalo 1 2 1 0—4
Jagr (3), Cullen (2), Mullen (5), Zalapski (1); Tucker (1), Vaive 2 (4), Foligno (1). Shots on goal: Pittsburgh (on Puppa) 7-7-14-3—31. Buffalo (on Young) 10-19-8-2—39.

N.Y. Islanders 0 2 1—3
Washington 1 2 1—4
Wood (1), Volek 2 (5); Druce 2 (3), Hatcher (1), Ridley (4). Shots on goal: New York (on Liut) 6-13-7—26. Washington (on Hackett) 8-12-8—28.

Vancouver 0 2 3—5
Winnipeg 2 1 4—7
Capuano 2 (4), Smyl (1), Bozek (1), Kron (2); Fenton (2), Numminen (2), MacDermid (2), Arniel (1), Steen (3), McLlwain 2 (4). Shots on goal: Vancouver (on Essensa) 5-13-5—23. Winnipeg (on McLean) 13-8-10—31.

Boston 0 1 0—1
Edmonton 4 4 0—8
Neely (4); Simpson (3), Linseman (2), Klima 2 (3), S.Smith (2), Huddy (1), Lamb 2 (2). Shots on goal: Boston (on Ranford) 9-8-5—22. Edmonton (on Lemelin, Moog) 12-11-8—31.

Hartford 0 1 1—2
Los Angeles 0 2 3—5
Young (2), Holik (3); Duchesne (2), Elik (4), Sandstrom 2 (5), Gretzky (7). Shots on goal: Hartford (on Hrudey) 10-8-11—29. Los Angeles (on Sidorkiewicz) 12-9-7—28.

SATURDAY'S RESULTS

Detroit 1 2 0—3
Quebec 2 3 0—5
Fedyk (2), Barr 2 (1); Hough (3), Petit (4), DeBlois (1), Sakic 2 (7). Shots on goal: Detroit (on Tanner) 11-12-17—40. Quebec (on Chevrier, Cheveldae) 11-8-10—29.

Buffalo 1 2 0—3
N.Y. Islanders 1 0 0—1
Hogue (2), Vaive (5), Audette (1); McBean (1). Shots on goal: Buffalo (on Hackett) 7-6-6—19. New York (on Malarchuk) 9-5-6—21.

New Jersey 0 0 0—0
Washington 2 0 2—4
Druce (4), Hunter (3), Johansson 3 (3). Shots on goal: New Jersey (on Beaupre) 15-7-5—27. Washington (on Terreri) 17-4-15—36.

N.Y. Rangers 1 2 1—4
Pittsburgh 0 0 3—3
Gartner (8), Nicholls (6), Janssens (2), B.Mullen (4); J.Mullen (6), Cullen (3), Coffey (3). Shots on goal: New York (on Barrasso) 13-14-9—36. Pittsburgh (on Vanbiesbrouck) 11-8-14—33.

Boston 0 1 0—1
Calgary 5 1 2—8
Walz (3); Ranheim (5), MacLellan (2), M.Hunter (1), Matteau (2), Fleury (3), MacInnis 2 (6), Reichel (1). Shots on goal: Boston (on Vernon) 6-5-11—22. Calgary (on Moog, Lemelin) 13-13-8—34.

Philadelphia 1 2 2—5
Montreal 1 2 0—3
Sutter (3), Lacombe (4), Mellanby (3), Eklund 2 (3); Chorske (1), Richer (5), Courtnall (3). Shots on goal: Philadelphia (on Roy) 11-9-7—27. Montreal (on Wregget) 7-8-11—26.

Chicago 0 1 1—2
Toronto 2 4 0—6
Gilbert (1), Murray (2); Leeman (1), Ramage (2), Clark (4), Thornton (1), Maguire (1), Damphousse (4). Shots on goal: Chicago (on Ing) 7-20-15—42. Toronto (on Belfour, Cloutier) 9-12-9—30.

Minnesota 1 0 1 0—2
St. Louis 2 0 0 0—2
Craig (3), Gagner (4); G.Cavallini (1), Ronning (1). Shots on goal: Minnesota (on Riendeau) 7-7-10-3—27. St. Louis (on Casey) 15-5-5-0—25.

AUTO RACING

Japanese Grand Prix

Results Sunday from the 5.85-kilometer (3.64-mile) Suzuka Circuit:

1. Nelson Piquet, Brazil, Benetton-Ford, 1 hour, 34 minutes, 36.824 seconds, average 196.923 kph (123.077 mph); 2. Roberto Moreno, Brazil, Benetton-Ford, 1:34:44.047; 3. Aguri Suzuki, Japan, Larrousse-Lamborghini, 1:34:59.293; 4. Riccardo Patrese, Italy, Williams-Renault, 1:35:13.082; 5. Thierry Boutsen, Belgium, Williams-Renault, 1:35:23.708; 6. Satoru Nakajima, Japan, Tyrrell-Ford, 1:35:49.174; 7. Nicola Larini, Italy, Ligier-Ford, 1:34:58.244; 8. Pier-Luigi Martini, Italy, Minardi-Ford, 1:35:01.090; 9. Alex Caffi, Italy, Arrows-Ford, 1:35:12.139; 10. Philippe Alliot, France, Ligier-Ford, 1:35:48.434.

Did not complete first lap: Ayrton Senna, Brazil, McLaren-Honda; Alain Prost, France, Ferrari.

Driver's Championship

1. Ayrton Senna, Brazil, 78 points; 2. Alain Prost, France, 69; 3. Gerhard Berger, Austria, 40; 4. Nelson Piquet, Brazil, 35; 5. Thierry Boutsen, Belgium, 32; 6. Nigel Mansell, Great Britain, 31; 7. Riccardo Patrese, Italy, 22; 8. Alessandro Nannini, Italy, 21; 9. Jean Alesi, France, 13; 10. Roberto Moreno, Brazil, and Ivan Capelli, Italy, 6.

TENNIS

MEN'S TOURNAMENTS
In Hong Kong
Semifinals
Ivan Lendl, U.S., def. Derrick Rostagno, U.S., 6-3, 6-0; Michael Chang, U.S., def. David Wheaton, U.S., 7-6 (7-3), 6-1.
Final
Lendl def. Chang, 1-6, 6-2, 6-1, 6-2.
In Antwerp, Belgium
Semifinals
Henri Leconte, France, def. Stefan Edberg (1), Sweden, 7-5, 3-6, 6-0; Goran Ivanisevic (4), Yugoslavia, def. Amos Mansdorf, Israel, 1-6, 6-2, 7-6 (9-7).
Final
Ivanisevic def. Leconte, 6-2, 7-6, (8-6), 4-6, 4-6, 6-1.
In Vienna, Austria
Semifinals
Anders Jarryd, Sweden, def. Alexander Volkov, Soviet Union, 6-2, 7-5; Horst Skoff, Austria, def. Thomas Muster, Austria, 6-2, 7-6 (7-3).
Final
Jarryd def. Skoff, 6-3, 6-3, 6-1.
In Lyon, France
Marc Rosset (6), Switzerland, def. David Pate, U.S., 6-4, 1-6, 6-4; Mats Wilander, Sweden, def. Alexander Mronz, Germany, 6-2, 7-6 (7-1).
Final
Rosset def. Wilander, 6-3, 6-2.
WOMEN'S TOURNAMENTS
In Filderstadt, Germany
Semifinals
Mary Joe Fernandez (2), U.S., def. Katerina Maleeva (3), Bulgaria, 7-5, 6-0; Barbara Paulus (8), Austria, def. Gabriela Sabatini (1), Argentina, 6-3, 6-4.
Final
Fernandez def. Paulus, 6-1, 6-3.
In Scottsdale, Arizona
Semifinals
Conchita Martinez (1), Spain, def. Monique Javer, England, 6-1, 6-1; Marianne Werdel, U.S., def. Amy Frazier (2), U.S., 6-4, 6-1.

CRICKET

New Zealand vs. Pakistan
In Lahore, Pakistan
Second Test, Day 3, Saturday
1st Innings: New Zealand 160 (all out); Pakistan 373-9.
2d Innings: New Zealand 69-3.

SOCCER

GERMAN BUNDESLIGA FIRST DIVISION
Bayern Munich 6, Hamburg SV 1
Karlsruhe SC 4, Kaiserslautern 2
FC Nuremberg 0, Cologne 4
Hertha BSC Berlin 1, Eintracht Frankfurt 0
VFB Stuttgart 1, Fortuna Duesseldorf 1
Bayer Uerdingen 1, B. Moenchengladbach 1
Werder Bremen 0, Bayer Leverkusen 0
FC St. Pauli 3, Bochum 3
Borussia Dortmund 1, Wattenscheid 1
Standings: Bayern Munich, FC Kaiserslautern 15; Eintracht Frankfurt, Werder Bremen 14; FC Cologne, SG Wattenscheid, Bayer Leverkusen 13; VfL Bochum 12; FC St. Pauli, Borussia Dortmund 11; Bayer Uerdingen 10; VfB Stuttgart, Hamburger SV, Borussia Moench., Fortuna Duesseldorf 9; FC Nuremberg, Karlsruher SC 8; Hertha BSC Berlin 5.

ENGLISH FIRST DIVISION
Chelsea 0, Nottingham Forest 0
Coventry 1, Southampton 2
Derby 1, Manchester City 1
Everton 0, Crystal Palace 0
Leeds 2, Queens Park Rangers 3
Manchester United 0, Arsenal 1
Norwich 1, Liverpool 1
Sunderland 2, Luton 0
Tottenham 4, Sheffield United 0
Wimbledon 0, Aston Villa 0, tie
Standings: Liverpool 25; Arsenal 21; Tottenham 19; Crystal Palace 17; Manchester City 16; Nottingham Forest, Manchester United, Luton 13; Aston Villa, Queens Park Rangers, Leeds 12; Wimbledon, Southampton 11; Chelsea 10; Sunderland 9; Coventry 8; Norwich 7; Everton 6; Derby, Sheffield United 3.

FRENCH FIRST DIVISION
Sochaux 2, Marseille 1
Auxerre 1, Lyon 0
Rennes 1, Caen 1
Paris St Germain 2, Lille 0
Toulon 3, Nantes 1
Nancy 2, Nice 1
St. Etienne 1, Cannes 0
Monaco 2, Toulouse 1
Brest 4, Bordeaux 0
Montpellier vs. Metz, ppd.
Standings: Marseille 20; Auxerre 19; Monaco 17; Brest 15; Metz, Caen 14; Montpellier, Paris St Germain, Lille, Nantes, Bordeaux, Lyon 13; Toulouse, Nancy 11; Toulon, Nice, Cannes, Sochaux 10; St Etienne, Rennes 9.

DUTCH FIRST DIVISION
NEC Nijmegen 0, FC Den Haag 0
FC Utrecht 0, Ajax Amsterdam 0
FC Volendam 2, Sparta Rotterdam 2
FC Groningen 2, SVV Schiedam 2
Feyenoord Rotterdam 1, SC Heerenveen 2
PSV Eindhoven 3, RKC Waalwijk 1
MVV Maastricht 1, Roda JC Kerkrade 2
FC Twente Enschede 0, Vitesse Arnhem 2
Fortuna Sittard 2, Willem II Tilburg 0
Standings: Ajax Amsterdam 13; PSV Eindhoven 12; FC Groningen, Fortuna Sittard 11; NEC Nijmegen 9; Feyenoord Rotterdam, FC Den Haag, Willem II Tilburg, FC Twente Enschede, RKC Waalwijk, Sparta Rotterdam 8; Roda JC Kerkrade, Vitesse Arnhem, FC Volendam 7; SVV Schiedam 6; FC Utrecht 5; SC Heerenveen 4; MVV Maastricht 2.

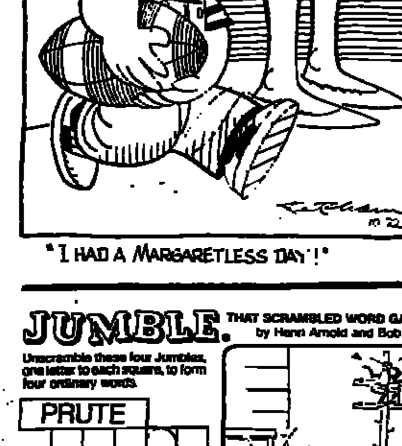
ITALIAN FIRST DIVISION
Bari 4, Genoa 0
Bologna 0, Cesena 1
Cagliari 1, Torino 2
Fiorentina 2, Parma 3
Internazionale of Milan 6, Pisa 3
Juventus of Turin 0, Lazio of Rome 0
Napoli 1, AC Milan 1
AS Roma 3, Lecce 0
Sampdoria of Genoa 4, Atalanta of Bergamo 1
Standings: AC Milan 10; Internazionale, Sampdoria 9; Juventus 8; Torino, Parma 7; Roma, Cesena, Lazio, Atalanta 6; Bari, Fiorentina, Napoli, Genoa, Pisa 5; Lecce 4; Cagliari 3; Bologna 2.

SPANISH FIRST DIVISION
Barcelona 3, Sporting Gijon 2
Sevilla 3, Athletic Bilbao 0
Real Sociedad 1, Valencia 0
Oviedo 0, Real Madrid 0
Atletico Madrid 0, Burgos 0
Castellon 1, Osasuna 0
Real Mallorca 0, Tenerife 1
Real Zaragoza 2, Valladolid 2
Logrones 1, Espanol 0
Standings: Barcelona 15; Sevilla 13; Real Madrid 11; Logrones 10; Osasuna, Atletico, Castellon 9.

TRANSACTIONS

BASEBALL
American League
MILWAUKEE—Released Juan Nieves, Mike Birkbeck and Tom Filer, pitchers. Assigned Don August, pitcher, to Denver, American Association.

DENNIS THE MENACE

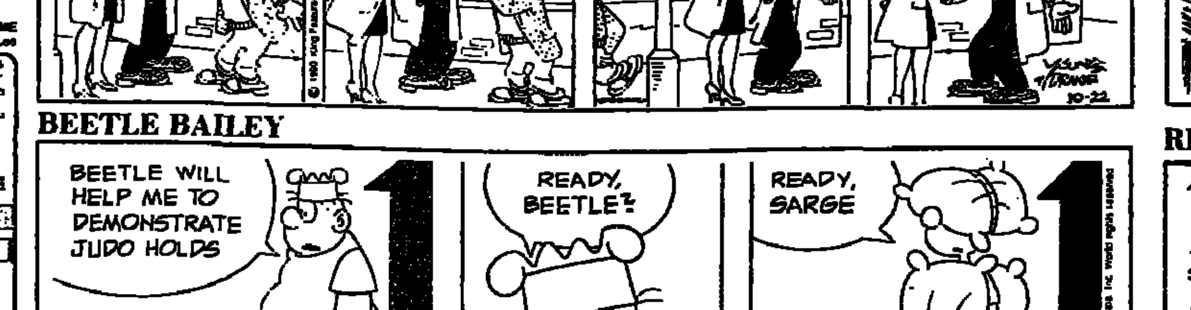


"I HAD A MARGARETLESS DAY!"

PEANUTS

ANDY CAPP

BLONDIE



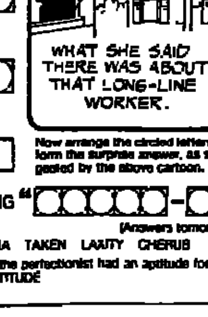
WIZARD of ID

JUMBLE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

PRUTE
LULET
VYCOON
SLUDOH



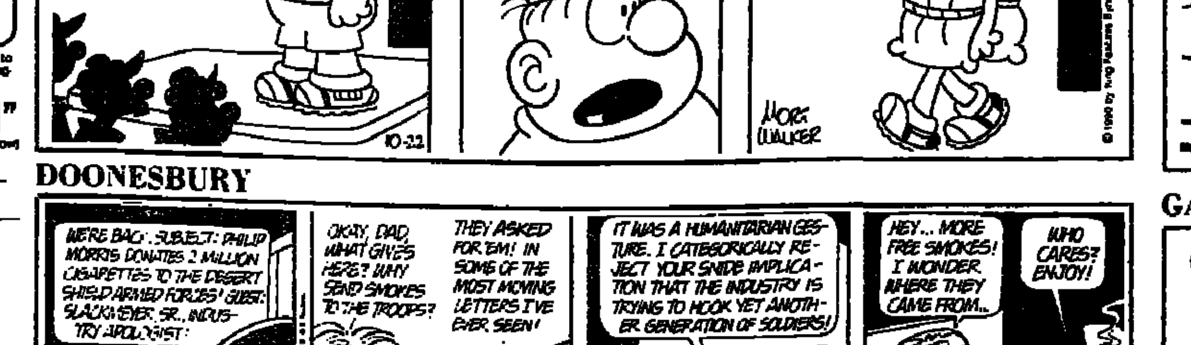
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: SOMETHING "□□□□□-□"

(Answers tomorrow)

Saturday's | Jumbles: DRAMA TAKEN LAXITY CHERUB
Answer: What the perfectionist had an aptitude for— EXACTITUDE

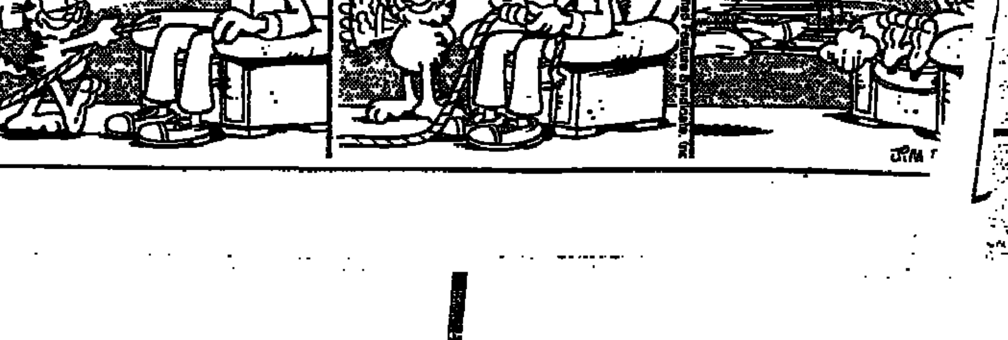
BEETLE BAILEY



REX MORGAN

DOONESBURY

GARFIELD



TO OUR READERS IN WARSAW

Morning hand delivery of the IHT day-of-publication is now available. Call today: 635 37 75

هكذا من الأصل

هكذا من الأصل

هكذا من الأصل

MONDAY SPORTS

Redskins Get Past The Eagles

Compiled by Our Staff From Dispatches

Gerald Riggs slammed in for a one-yard touchdown and Chip Lohmiller kicked two field goals after missing his first four attempts Sunday, leading the Redskins to a 13-7 victory over the Philadelphia Eagles in Washington.

The Eagles' lone score came with 13 seconds remaining on a nine-yard touchdown pass from Randall

NFL ROUNDUP

Cunningham to Fred Barnett, who outjumped Darrell Green for the ball. Philadelphia tried an onside kick, but it failed.

Stan Humphries, in his third National Football League start in place of the injured Mark Rypien, was 14 of 31 passing for 200 yards.

Lohmiller missed in the first half from 51, 48 and 41 yards. He missed from 50 yards in the third quarter before hitting from 33 and 29 in the fourth quarter.

The Eagles played without Pro Bowl receiver Mike Quick, put on injured reserve Saturday still recovering from knee surgery.

Cowboys 17, Bucs 13: Troy Aikman's 28-yard touchdown pass to Michael Irvin with 23 seconds remaining capped an 80-yard drive for Dallas in Tampa, Florida.

Irvin's catch came 1:33 after Steve Christie's 32-yard field goal appeared to thwart the Cowboys' effort to overcome a 10-point halftime deficit and beat the Bucs for the second time in three weeks.

Aikman, who completed 13 of 29 passes for 159 yards, threw 14 yards to Irvin and 18 yards to Jay Novacek before scrambling 20 yards for a first down at the Bucs' 28 on the decisive drive. Dallas called a timeout with 31 seconds left, and Irvin slipped behind Rodney Rice on the next play to make the winning catch in the end zone.

Broncos 27, Colts 17: John Elway passed for 307 yards and two touchdowns as Denver, ending its longest losing streak in seven years, spoiled Eric Dickerson's return to the Colts in Indianapolis.

David Treadwell kicked a 42-yard field goal for the Broncos with 7:45 to go. They added a touchdown on a four-yard run by Steve Sewell two minutes later, ending a three-game slide.

Indianapolis (2-4) got 55 yards on nine carries by Dickerson, playing his first game of the season after a contract dispute.

Bills 30, Jets 27: Jim Kelly threw four touchdown passes, including the winner to Jamie Mueller with seconds left in Orchard Park, New York, as Buffalo rallied for the third week in a row.

Kelly, who passed for 297 yards, found Mueller in the end zone for a -yard touchdown, completing a -yard, 11-play drive.

Kelly threw two touchdown passes to Andre Reed and a 60-yarder to James Lofton as the Bills overcame a 14-point deficit.

Oilers 23, Saints 10: Lorenzo White ran for one touchdown and caught a pass for a second score as the Oilers won in Houston, spoiling the debut of Steve Walsh as the Saints' starting quarterback.

Walsh, acquired last month from Dallas, threw for 292 yards and one touchdown, a 31-yarder to Hoby Brenner with 12:53 to go. He was intercepted once, fumbled once and was sacked four times. *(UPI, AP)*

Rijo Grand in Reds-Hot World Series Sweep

The agony of the World Series belonged to such A's as Rickey Henderson, above, who found striking out hard to countenance in the final game. The ecstasy belonged to such Reds as Chris Sabo, who rose up to go nine for 16.

Bob Sullivan/Agence France-Presse — Rusty Kennedy/The Associated Press

By Mark Maske
Washington Post Service

OAKLAND, California — The Cincinnati Reds wobbled, but they refused to fall down. Even first-inning injuries to two key players and a succession of foiled rallies could not derail their charge to a World Series sweep of the Oakland Athletics, as Jose Rijo outpitched Dave Stewart and the Reds captured their first championship in 14 years with a 2-1 victory.

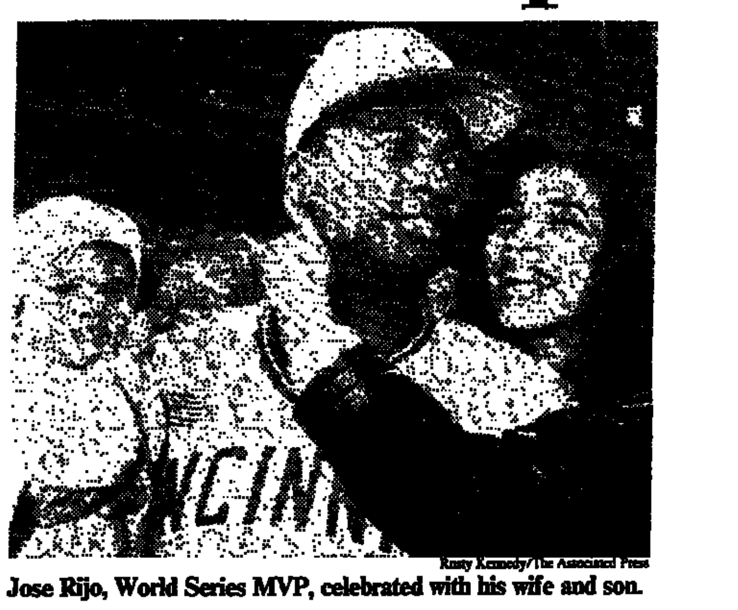
By the second inning Saturday night, this matchup more closely resembled a spring training B-team game than a tense World Series showdown. Manager Tony La Russa had reshuffled Oakland's lineup to exclude the ailing slugger Jose Canseco, and the Reds had suffered through a torturous beginning in which they fell behind by a run and lost outfielders Billy Hatcher and Eric Davis to injuries that likely were severe enough to sideline them for the duration of the series had Oakland been able to extend it.

But Stewart and Rijo remained, and two friends and former teammates on the A's proceeded to craft a pitcher's battle of supreme majesty. Rijo limited Oakland to two hits, none after the first inning, and struck out nine in an 8⅓-inning masterpiece. Rijo retired the final 20 hitters he faced to beat Stewart for the second time in the series and earn most valuable player honors.

"This is the greatest feeling I've ever had in my life," Rijo said. "We beat a great team, so that means we are a great team. Everyone said we couldn't win, but the Oakland A's are second-best now."

Randy Myers got the final two outs to preserve the triumph, retiring pinch hitter Canseco on a ground out to third baseman Chris Sabo and Carney Lansford on a foul pop to first baseman Todd Benzinger to set off the celebration. Sabo went three for four Saturday to finish the series nine for 16.

"You're looking at a team that's just realizing its greatness," said Lou Piniella, manager of the Reds.



Rusty Kennedy/The Associated Press

Jose Rijo, World Series MVP, celebrated with his wife and son.

"The battle all year was for them to believe just how good they are. Maybe now they do."

Stewart was slightly less overwhelming than Rijo but almost as effective in battling through a gritty, seven-hit performance. He took a 1-0 lead into the eighth inning but could not hold on.

The Reds had gone zero for eight with men in scoring position through the initial seven innings and left runners at third base in both the sixth and seventh. But Barry Larkin led off the eighth with a line-drive single to center field, and Herm Winningham, Hatcher's replacement, beat out his sacrifice bunt attempt.

Stewart pulled Willie Randolph off first base on Paul O'Neill's bunt to leave the bases loaded with no outs. A grounder by Glenn Braggs, Davis's replacement, to shortstop Mike Gallego produced one run, and Hal Morris's sacrifice fly to Willie McGee in right field brought home Winningham with the run that would win the game.

Before Morris stepped to the plate, La Russa had visited the mound and opted to leave Stewart in rather than bringing on closer Dennis Eckersley.

"To me, Stew is the guy who was in charge of that game," said La Russa. "Eckersley wasn't very close to getting in."

"I fought them all I could," said Stewart. "I clawed at them and they clawed at me, and they finally won on a couple bunts and with a couple guys who weren't even supposed to be in there. That tells me it wasn't meant to be for us.

"They just outplayed us from start to finish. Winning feels better than most people think, and losing feels worse."

No team ever has recovered from the predicament Oakland faced Saturday night. Of the 17 previous clubs to face 0-3 World Series deficits, 14 had been swept and three had lost in five games. But if the A's were going to lose, they were not going to do so in the same manner.

La Russa's lineup looked as though it came from the second game of a doubleheader. Dave Henderson batted third, Lansford fifth and Mark McGwire seventh — one spot behind Jamie Quirk, the third-string catcher who never had played in a World Series despite being eligible three times.

The A's mustered their best mask of defiance. As a rallying point they had Stewart, who won 13 of 19 starts following an Oakland loss this year and had a 7-2 record with a 2.32 earned-run average in postseason play despite his loss to Rijo in the first game of this series.

"We were confident we could come all the way back," Stewart said. "We were absolutely sure we were going to sent this thing back to Cincinnati."

The A's got off to a good start, holding a lead after the first inning for the first time in the series as La Russa's juggling provided quick dividends and the Reds were afflicted by the injury stampede.

Hatcher was nine for 12 in the series when he came to bat in the first, but he couldn't elude Stewart's inside fastball and was hit on his left hand. Hatcher tried to remain in the game, finally exiting before the Reds took the field for the bottom of the second.

Davis's, however, was the more alarming injury. It occurred as he dived for McGee's one-out, first-inning liner in left field. Davis had the ball momentarily, but it was jarred loose as he struck the ground and McGee pulled into second while Davis writhed in pain.

He, too, stayed in the game briefly. But television cameras caught him being all but carried by trainers toward the Cincinnati clubhouse after the inning ended. The team said Davis was urinating blood inside the clubhouse.

Both he and Hatcher were taken to a nearby hospital for X-rays, Hatcher with a severly bruised hand, Davis with a severe contusion of the right rib cage and a bruised kidney. Davis was admitted to Merritt Hospital and the Reds said he was in the intensive care unit, where he was expected to remain for five to seven days.

"I was going to have to activate myself," Piniella said. "We won at a very opportune time."

Before Davis and Hatcher departed, though, the A's grabbed the lead. Dave Henderson followed McGee's double by popping out, and the Reds walked Harold Baines to get to Lansford. But the strategy backfired when Lansford grounded a run-scoring single through the middle — at the time, Oakland's third hit in 24 at-bats with runners in scoring position during the series.

They would have only one more, as McGee struck out with runners at second and third in the second inning, and Rijo, using more sliders than fastballs, and Myers didn't permit a base runner thereafter. "They just shut us down," said Lansford, "end of story."

Box Scores

GAME 4

BATTING SUMMARY

CINCINNATI

	ab	r	h	2b	3b	hr	rbi
Larkin ss	3	1	1	0	0	0	0
Hatcher cf	0	0	0	0	0	0	0
Winningham cf	3	1	2	0	0	0	0
O'Neill rf	3	0	0	0	0	0	0
Davis lf	0	0	0	0	0	0	0
Braggs lf	3	0	0	0	0	0	1
Morris dh	3	0	0	0	0	0	1
Sabo 3b	4	0	3	1	0	0	0
Benzinger 1b	4	0	0	0	0	0	0
Oliver c	4	0	1	1	0	0	0
Duncan 2b	4	0	0	0	0	0	0
Totals	31	2	7	2	0	0	2

OAKLAND

	ab	r	h	2b	3b	hr	rbi
R. Henderson lf	3	0	0	0	0	0	0
McGee rf	4	1	1	1	0	0	0
D. Henderson cf	4	0	0	0	0	0	0
Baines dh	2	0	0	0	0	0	0
Canseco ph	1	0	0	0	0	0	0
Lansford 3b	4	0	1	0	0	0	1
Quirk c	3	0	0	0	0	0	0
McGwire 1b	3	0	0	0	0	0	0
Randolph 2b	3	0	0	0	0	0	0
Gallego ss	1	0	0	0	0	0	0
Hassey ph	1	0	0	0	0	0	0
Bordick ss	0	0	0	0	0	0	0
Totals	29	1	2	1	0	0	1

Cincinnati	000 000 020—2
Oakland	100 000 000—1

PITCHING SUMMARY

Cincinnati

	ip	h	r	er	bb	so
Rijo W, 2-0	8⅓	2	1	1	3	9
Myers S, 1	⅔	0	0	0	0	0
Totals	9	2	1	1	3	9

Oakland

	ip	h	r	er	bb	so
Stewart L, 0-2	9	7	2	1	2	2
Totals	9	7	2	1	2	2

E—Oliver, Stewart. DP—Oakland 1. LOB—Cincinnati 7, Oakland 4. 2B—McGee, Oliver, Sabo. SB—Gallego (1), R. Henderson (3). S—O'Neill. SF—Morris. HBP—Hatcher, by Stewart.

GAME 3

BATTING SUMMARY

CINCINNATI

	ab	r	h	2b	3b	hr	rbi
Larkin ss	5	0	2	0	1	0	1
Hatcher cf	5	1	2	0	0	0	0
O'Neill rf	3	1	1	0	0	0	0
Davis lf	5	1	2	0	0	0	1
Morris dh	4	0	0	0	0	0	1
Sabo 3b	4	2	2	0	0	2	3
Benzinger 1b	5	1	2	0	0	0	0
Oliver c	5	1	2	1	0	0	1
Duncan 2b	4	1	1	0	0	0	1
Totals	40	8	14	1	1	2	8

OAKLAND

	ab	r	h	2b	3b	hr	rbi
R. Henderson lf	3	1	1	0	0	1	1
Lansford 3b	3	0	0	0	0	0	0
Canseco rf	4	0	0	0	0	0	0
D. Henderson cf	4	1	1	1	0	0	0
Baines dh	4	1	1	0	0	1	2
McGwire 1b	4	0	1	0	0	0	0
Steinbach c	4	0	0	0	0	0	0
Randolph 2b	4	0	3	0	0	0	0
Gallego ss	2	0	0	0	0	0	0
McGee ph	1	0	0	0	0	0	0
Bordick ss	0	0	0	0	0	0	0
Blankenship ph	1	0	0	0	0	0	0
Totals	34	3	7	1	0	2	3

Cincinnati	017 000 000—8
Oakland	021 000 000—3

PITCHING SUMMARY

Cincinnati

	ip	h	r	er	bb	so
Browning W,1-0	6	6	3	3	2	2
Dibble	1⅔	0	0	0	0	2
Myers	1⅓	1	0	0	0	1
Totals	9	7	3	3	2	5

Oakland

	ip	h	r	er	bb	so
Moore L, 0-1	2⅔	8	6	2	0	1
Sanderson	⅔	3	2	2	1	0
Klink	0	0	0	0	1	0
Nelson	3⅔	1	0	0	1	0
Burns	1	1	0	0	1	0
Young	1	1	0	0	0	0
Totals	9	14	8	4	4	1

E—McGwire, Oliver. DP—Oakland 2. LOB—Cincinnati 9, Oakland 6. 2B—D. Henderson, Oliver. 3B—Larkin. HR—Sabo 2 (2), Baines (1), R. Henderson (1). SB—Duncan (1), O'Neill (1), R. Henderson (2), Randolph (1).

Klink pitched to 1 batter in 4th. Browning to 1 batter in 7th. WP—Sanderson, Burns.

Records Set in the 1990 World Series

Individual Records Set

Batting

Highest batting average, four-game series: .750, Billy Hatcher, Cincinnati (previous record .625, Babe Ruth, N.Y. Yankees, 1928).

Most consecutive hits, one series: 7, Billy Hatcher, Cincinnati, Games 1 and 2 (previous record 6, Goose Goslin, Washington, 1924, Thurman Munson, N.Y. Yankees, 1976).

Most doubles, four-game series: 4, Billy Hatcher, Cincinnati (previous record 3, Hank Gowdy, Boston Braves, 1914; Babe Ruth, N.Y. Yankees, 1928).

Fielding

Most chances, game, third baseman, no errors, 9 innings: 10, Chris Sabo, Cincinnati, Game 3, three putouts, seven assists.

Most errors, catcher, four-game series: 3, Joe Oliver, Cincinnati (previous record, 2, Jim Wilson, St. Louis Cardinals, 1928).

Individual Records Tied

Batting

Most at-bats, one inning: 2, Barry Larkin and Billy Hatcher, Cincinnati, Game 3, 3d inning (previously accomplished many times, last by Greg Gagne and Kirby Puckett, Minnesota, 1987, Game 2, 4th inning).

Most consecutive hits, World Series appearances: 7, Billy Hatcher, Cincinnati, Games 3 and 4 (previously accomplished by Thurman Munson, N.Y. Yankees, 1976, Games 3 and 4, 1977, Game 1).

Most hits, consecutive games, one series: 7, Billy Hatcher, Cincinnati, Games 3 and 4 (previously accomplished by five players, last by Paul Molitor, Milwaukee, 1982, Games 1 and 2).

Most times reached first base safely, 9 innings (batting 1.000): 5, Billy Hatcher, Cincinnati, Game 2 (one single, two doubles, one triple, one walk). (previously accomplished nine times, last by Kirby Puckett, Minnesota, 1987, Game 4, four singles, 1 walk.

Hitting home run in first at-bat: Eric Davis, Cincinnati, Game 1 (previously accomplished 21 times, last by Bill Bathe, San Francisco, Game 3, 1989).

Pitching

Most games pitched, four-game series: 3, Randy Myers, Cincinnati, (previously accomplished many times).

Fielding

Most chances, game, third baseman, 9 innings: 10, Chris Sabo, Cincinnati, Game 3, three putouts, seven assists (previously accomplished by Mike Higgins, Detroit, 1950, Game 2).

Team Records Set

Batting

Most players used, four-game series: 25, Oakland (previous record 24, Cleveland, 1954, San Francisco, 1989).

Pitching

Fewest saves, four-game series, both teams, (since 1969): 1 (Cincinnati 1, Oakland 0), (previous record 2, 1976, Cincinnati 2, N.Y. Yankees 0).

Team Records Tied

Batting

Most doubles, four-game series: 9, Cincinnati (previously accomplished, Philadelphia Athletics vs. Boston Red Sox, 1914.

Pitching

Fewest complete games, both teams, four-game series: 1 (Oakland 1, Cincinnati 0), (previously accomplished in 1976, N.Y. Yankees 1, Cincinnati 0; 1989, San Francisco 1, Oakland 0).

Tuesday, Oct. 16
Cincinnati 7, Oakland 0
Wednesday, Oct. 17
Cincinnati 5, Oakland 4, 10 innings
Friday, Oct. 19
Cincinnati 8, Oakland 3
Saturday, Oct. 20
Cincinnati 2, Oakland 1

Lions Go Up, 2-0, in Tokyo

The Associated Press

TOKYO — Tsutomu Itoh drove in four runs and Orestes Destrade knocked in two, leading the Seibu Lions to a 9-5 victory Sunday over the Yomiuri Giants and a 2-0 lead in the best-of-seven Japan Series.

Tetsuya Shinozaki, who relieved Kimiyasu Kudo with one out and the bases loaded in the fourth inning, limited the Giants, winners of the Central League pennant, to two hits over 4⅔ innings.

The Pacific League's Lions scored seven runs on nine hits against pitching ace Masaki Saitoh in 2⅔ innings.

A wild pitch let in the Lions' first run in the first inning, and Destrade, formerly of the Pittsburgh Pirates, doubled home another. Itoh hit a two-run home run in the second; Destrade hit a solo homer in the third, his second of the series.

Sabo: Elements Of True Style

By Thomas Boswell
Washington Post Service

OAKLAND, California — On the first pitch of the second inning Friday night, big Mike Moore of the A's sent a message to smallish Chris Sabo of the Reds. Moore brushed him back, gave him a shave, whichever phrase you like. On purpose? Who knows.

But the A's do play intimidation baseball. And Sabo had gotten three straight hits in the second game of the Series, one setting up Joe Oliver's winning hit.

Vantage Point

Sabo didn't change expression. He worked the count full, then drove one of Moore's pitches so far over the left field fence that Rickey Henderson couldn't even draw attention to himself by pretending to climb the fence.

Sabo jogged around the bases quickly, head down, shook hands at the plate, gave a perfunctory hand slap to the on-deck hitter and disappeared into the dugout with the Reds ahead, 1-0.

The next time Sabo and Moore met, the Reds led, 3-2, in the third and had a man on. Sabo, who wears a crew cut and goggles so that he won't get dirt in his eyes when he dives headfirst, made himself inconspicuous in the batter's box. A little man who lifts a lot of weights and has made himself a minor power hitter.

This time, his homer did not go quite as far into the bleachers. But his home run trot — or rather, his businesslike sprint — was identical. No emotion. No words for Moore as he rounded third. No elbow bashing at the plate. The Reds led, 5-2. By the end of the inning, it was 8-2.

The first batter in the bottom of the fourth, Henderson, homered into the same left field bleachers. He stood and watched his work. He bellied out so much as he began his trot that it looked as if he might stop in the Reds' dugout for a drink of water. As he neared second base, he went into his dance. At home, he celebrated himself some more.

His team still trailed by five runs. It was about to lose its third straight of the Series. It was en route toward joining the '54 Cleveland Indians as the biggest bunch of losers in history. But Rickey had to do his trot.

When Mark McGwire and Carney Lansford bash their big forearms after a home run, that's essentially a question of taste, of style, isn't it? When Dennis Eckersley embarrasses a batter by fanning his imaginary pistol at him after he strikes him out, that's a matter of style. Or, perhaps, too much style. When Jose Canseco flexes his muscles to fans who taunt him or when Dave Henderson does his tippy-toe snatch catch in center field or when Dave Stewart goes into his Death Stare, it can seem like just a little too much.

In the third game, the Reds paid back in spades the disrespect they have felt at the hands of the A's. The way to embarrass the A's, to make them look like tangle-footed Goliaths, is to run on their catchers and all of their weak-armed or fundamentally careless outfielders.

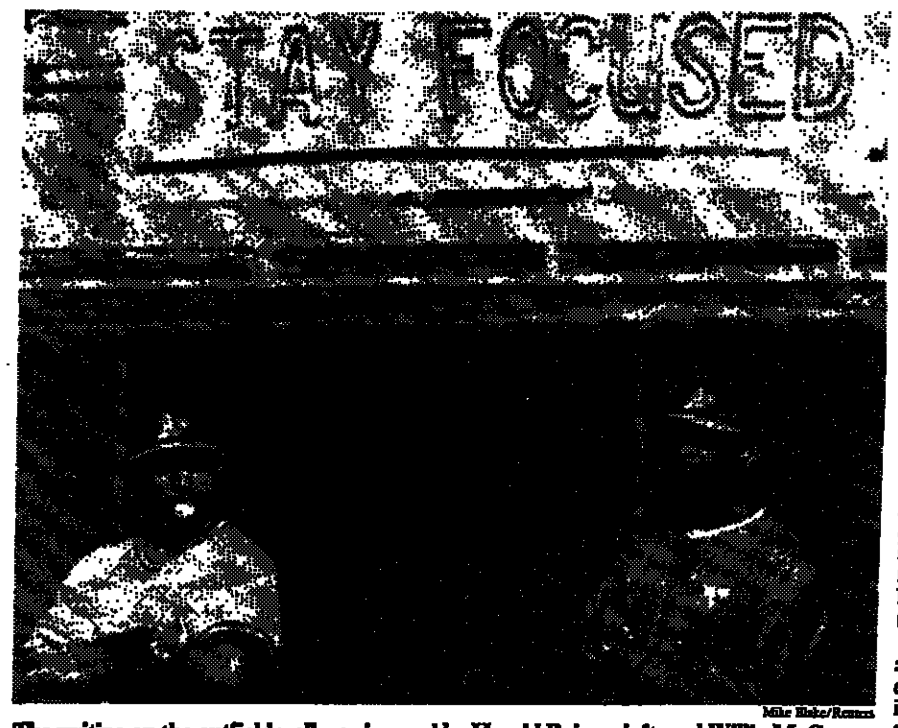
And run the Reds did. Billy Hatcher, after his eighth hit of the Series, went first to third as first baseman McGwire booted a grounder. Paul O'Neill went first to third, drawing a wild overthrow that allowed Eric Davis to take second base in a cloud of dirt. Joe Oliver legged out a double into the left field corner, then challenged Dave Henderson on a single to center and scored. Barry Larkin doubled off the wall in left, but, just to show up the Hendersons, stretched it into a pointed two-out triple.

Before this evening was done, third baseman Sabo showed every aspect of what his Reds are about. He fielded a hard grounder by Dave Henderson and made it look like an easy play. When Mike Gallego bunted, Sabo got to the ball textbook fashion. Finally, leading off the seventh, in what might be his last chance to hit a third home run in one Series game — joining Babe Ruth, Reggie Jackson and no one else — Sabo worked the count full once more.

The next pitch was over the plate but low, barely. A pitch that could, perhaps, be golfed for a home run. Or fouled, to get another pitch. Sabo took it for ball four. He was the leadoff man. It was his job to get on base.

For Sabo to be both the hero and the symbol of this game had a perfect but troubling symmetry. You see, Sabo has, since adolescence, modeled himself and his game on one old-time player whom he's worshipped for 20 years, and who was his first major league manager. To this day, Sabo will speak only good of this man, the man who had faith in him and put him into the Reds' lineup when nobody in the organization thought he'd be more that a mediocrity.

No one had to ask for whom Chris Sabo played the game of his life this night. He already had said it a thousand times. Pete Rose.



Mike Blake/Reuters

The writing on the outfield wall was ignored by Harold Baines, left, and Willie McGee.

Canseco Goes Gently Into the Night

The Associated Press

OAKLAND, California — After suffering the indignity of being benched with the Oakland Athletics facing elimination in the World Series, Jose Canseco was given one final chance to redeem himself.

He failed, ending a postseason in which he barely resembled the most feared hitter in baseball, the one who hit 37 home runs with 101 runs batted in in 1990 despite missing 31 regular-season games.

Canseco was kept out of the A's starting lineup because of back and finger injuries, but got his final opportunity in the ninth inning as a pinch hitter. His team was down a run. Any hit would suffice.

Instead, he grounded out weakly to third to cap a series of disappointments that prompted boos from the Oakland crowd in the third game, on Friday. Afterward, he declined comment.

Canseco came up in the fifth inning on Friday with runners on first and third and the A's down, 8-3. Tom Browning retired him on a routine fly ball to right.

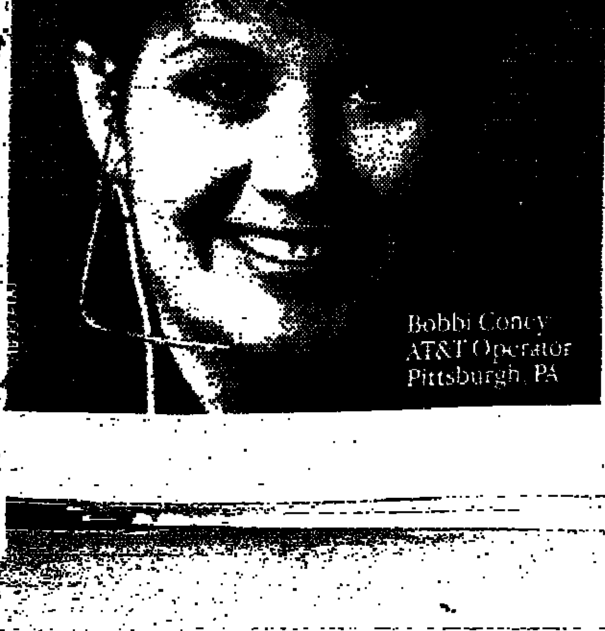
Canseco injured his finger when he closed a refrigerator door on it Sept. 21. He couldn't grip the ball properly and had trouble throwing, so Tony La Russa, Oakland's manager, benched him for Saturday's fourth game.

"If a player takes an extra base because he can't grip the ball, that might be the end of the season," La Russa said.

Canseco didn't argue with the decision.

"It's best for the team to put somebody out there who is healthy," he said before the game.

We can help you call your boss in Boston.



Or your partner in Palo Alto.
Or your broker in Boca Raton.
With *AT&T USADirect® Service,* calling the States is fast and easy. You just dial the special *AT&T USADirect* access number for the country you're in.
Within seconds, you'll experience one of the friendliest sounds you can hear when you're away from home. An AT&T Operator offering to help you complete your call.
Use your *AT&T Calling Card* or call collect. And not only can you minimize hotel surcharges but you can also save with our international rates.

Only *AT&T USADirect Service* puts you in easy reach of an AT&T Operator in the States from over 75 countries around the world.
And it's just another way AT&T is there to help you from practically anywhere in the world.
Whether it's calling your boss in Boston.
Or your client in Kalamazoo.

AT&T USADirect® Service.
Your express connection to AT&T service.

*AUSTRIA	022-903-011	*FRANCE	19*-0011	*NETHERLANDS	06*-022-9111
BAHRAIN	800-001	*GAMBIA	001-199-220-0010	*NORWAY	050-12-011
*BELGIUM	11-0010	*GREECE	00-800-1311	*SWEDEN	020-795-611
CZECHOSLOVAKIA	00-420-00101	*HUNGARY	00*-36-0111	*SWITZERLAND	046-05-0011
*DENMARK	8001-0010	*ITALY	172-1011	U.K.	0800-89-0011
EGYPT	02-356-0200	LIBERIA	797-797	W. GERMANY	0130-0010
*FINLAND	9800-100-10	LUXEMBOURG	0-800-0111	ZIMBABWE	110-899

* Await second dial tone.
† Public phones require coin or card
‡ In Cairo dial 356-0200

For additional *USADirect* access numbers or information about the service, call us collect at 412-553-7458. When in the U.S., call 1 800 874-4000 Ext. 416 for your free *USADirect* information card.

AT&T
The right choice.

Lacroix, Montana: Stars in the Haute Firmament

By Suzy Menkes
International Herald Tribune

PARIS — Claude Montana's imagination soared into the stratosphere. Christian Lacroix steered his couture fantasy toward earth. In their opposing ways, they each gave a rocket boost to high fashion, while the avant-garde at the French ready-to-wear shows kept spinning around in the same orbit.

The two standout shows of the weekend offered a personal vision and a new definition of modern luxury. For Montana that means an uncompromising modernism,

PARIS FASHION

which is glacial, remote, futuristic — but extremely beautiful. Lacroix is a postmodernist, truffling his show with references and enriching it with color, pattern and texture.

Montana's stellar show opened with white sculptures — a coat standing away from the body with a backbone of pleats, or a jacket rising at front, low at back.

Skirt hemlines formed haloes around the thighs or swooped asymmetrically. This geometry also appeared on dresses — new for Montana — their armholes drawn with a set square and their hemlines with a compass.

White hose, pointed shoes with silver heels, and metallic jewelry were part of the show's lunar landscape. A gauzy parka was touched with a milky way of starry sequins. When colors came down to earth — in pale brown suede or fireball orange — the cutting, especially for the jackets, was laser sharp and the details were exquisite: a lacy mesh of metallic chains or gloves inset with silver craters.

Montana's use of organdy, taffeta and faille — luxurious fabrics that hold a shape — showed a Paris trend for day-into-night.

"Marvelous!" said Paloma Picasso. "And look what he has learned from working in the couture." Lanvin's owner, Henry Racamier, sitting front row, must have wondered with the rest of us how Montana could offer, in next January's couture, a fashion vision more perfect than this.

Said Christian Lacroix before the show Sunday: "This collection is going to be very simple, with practically no couture fantasies or embroideries."

Moore/Thomas

Lacroix's rich mix of print on simple skirt and pants, left, and Montana's geometric dress with cutaway arms and asymmetric skirt.

Like a chocaholic forswearing the candy store, he could not resist temptation. The show was replete with Lacroix delicacies — stripy stretch knits inset with patches of flower embroidery, incrustations of lace peeping from bodice or hem.

Lacroix is right to offer both the fanciful and the simple. The buyers glooming around town thinking about their budget deficits will pick out the simple: draped crepe dresses, the flirt-skirt swimsuits in abstract prints or the suits in ice-cream colors that Joan Kaner of Neiman Marcus described as "fresh, young and a standout."

Everything Lacroix does is fresh, from his effervescent homage-to-Pucci prints to his chic training shoes in shocking-pink and white satin. Plain tailoring and upmarket sportswear — three-quarter coats over pants or faille parkas — give breadth and range to his pampered femininity. His suits are curvy; bell skirts and jackets are lit up with fanciful buttons. His sense of color is mouth-watering: wisteria with cantaloupe, or peach and vanilla.

References to his roots were reduced like a good sauce to just a mantilla-lace appliqué on a plain shift, or a black dress with a bared swimsuit back and a provençale lace apron. Lacroix still piles on the print, and plenty of outfits look like works in progress. But from the high crowns of his models' hats bearing gilded roses, to the thonged sandals decorated with his signature hearts and crosses, he is a designer of overwhelming creativity and irrepressible spirit.

Jean-Paul Gaultier is the great innovator of French ready-to-wear, but his show was weak. Its high point came when Madonna, sitting front row, legs akimbo, received a Barbie Doll of herself from him. It seemed symbolic. For Gaultier's idea was to make women like dolls.

Sweet-but-sour prettiness meant lampshade minis over tulle petticoats (done better by Vivienne Westwood five years ago), or skirts ruched up like festoon blinds. Since the theme of the show was Adam and Eve, Gaultier's poisoned paradise included male and female models in frilled underpants.

His good ideas included his signature chocolate pin-striped tailoring sliced off at the shoulders, and wraparound apron dresses in granny prints.

Issey Miyake's creative imagination comes over in each outfit — straight-forward sportswear, an origami of squares unfolding into a skirt, or flat pleats unfurling into a lantern dress. Nylon filament dresses, molded into shape without a stitch or seam, rated an ovation as couture future.

Miyake's skill is to use inventive fabrics for clothes in the modern idiom: stretch bodysuits and shorts, striking rainwear transformable in shape with press studs, and witty swimwear with a rubber life-saving ring inserted in its hem.

LANGUAGE

Bubba Factor? Go With the Flow

By William Safire

WASHINGTON — The televised feeding frenzy that calls itself "The McLaughlin Group" was dealing with redneck tendencies in one of the Southern states.

Eleanor Clift of Newsweek said, "This enhances Louisiana's *'booba'* image."

"*Bubba,*" Pat Buchanan corrected.

"*Bubba,*" agreed the host, John McLaughlin.

"*Booba, bubba,* it's not good whatever it is," shot back Clift.

One viewer, Roberta Shaffner of Bala-Cynwyd, Pennsylvania, writes: "What is this *bubba factor* anyway? I always thought of *bubba* as the Yiddish word for 'grandmother.' Am I missing something here?"

The Wall Street Journal agrees with you, Mrs. Shaffner. A 1982 article was headlined "*Is the* Stock Market Really Efficient? Go Ask a Bubba" and quoted a professor explaining that "bubba psychology is the study of what Jewish grandmothers know without benefit of *graduate training.*"

Buba is a Hebrew word for "little doll" and may have been the source of an affectionate term for a small grandmother; however, the *similar baba* is also used for "grandma" in Russian and other Slavic languages, which makes the origin uncertain.

This much is indisputable: A grandmotherly *bubba* (with the *u* pronounced like the *oo* in *book* and not like the *oo* in *boob* is not a brotherly *bubba* (with the *u* as in *bub*, which we still hear in the hostile "What's it to you, bub?").

The pronunciation is the distinguishing key. Set aside the *oo* of *boob*, from the German *Bübi*. Another sense of *boob* — "fool" — is from *booby*, possibly from the Spanish *bobo*, "silly, stupid" (used for a silly sea bird), ultimately from the Latin *balbus*, "inarticulate, stammering." H. L. Mencken combined *boob* with *bourgeoisie* to come up with *booboisie*, his derogation of the middle class.

Bubba with the book-sounding vowel is the word to describe the dispenser of chicken soup; the *uh* sound, as in "hub, rub, stub," is the hypocoristic form of "brother" and is sometimes followed by the snap of a wet towel. (Is hypocorism the use of pet names, sweetie? You got it, buster.)

According to the Dictionary of American Regional English (where Fred Cassidy and his team at the University of Wisconsin are already up to the letter H), the fraternal form of *bubba* is "especially common among blacks" and is mainly Southern and Southern Midland usage. Because citations show the shorter form of *bub* in general use more than a century ago, this may be a rare example of current black borrowing from old white slang.

We now have a noun used in direct address — that is, speaking to the person being called by the term *bubba*. This noun is in competition with a clip of the word *brother* to *bro;* we will see which one triumphs in popular usage, at which point we will go with the flow, bro.

But *bubba* shows signs of breaking from its narrow confine as a term of direct address or as the nickname of Southern football players, usually black (the best known is Bubba Smith, who gained fame as a defensive end for the Baltimore Colts). It now has a political coloration in the phrase *bubba factor.*

"*Bubba* is political shorthand for 'Southern conservative,'" reports McLaughlin. "Think of *bubba* as a synonym for *redneck* or *good ol' boy* — someone who speaks a rural, crusty prose and is hard to present to city folk. The *bubba factor* refers to Southern conservatives whose vote must be considered in an election."

The word has not yet sorted out its meaning. If it is a paradigm of a poor rural Southerner, its synonyms are *cracker* (someone who cracks his own corn, too poor to buy cornmeal) or *redneck* (possibly from a sun-scorched neck from bending in the fields), and its factor is white; yet the word, when used in direct address, is at least as often associated with blacks as whites. Is it possible we have the birth of a nonracial, or biracial, term for "imposing Southerner"? Watch this space, bro.

□

"We righties," I wrote in a political harangue, "come to our side's line of scrimmage with different mental sets."

Watch those sports metaphors. "Your side doesn't have its own line of scrimmage," writes Donald Kennedy, member of the Nitpickers' League and president of Stanford University. "Neither do the other guys. Rather, the line of scrimmage is a singular domain, a plane passing through the equator of the resting football, and destined to become the point of collision between the burly biggies of the Right and their smaller, quicker opponents on the Left."

Football fans could argue that each team has its own line of scrimmage, at either end of the football; on this theory, only the center snapping the ball is allowed to be in the "neutral zone" where the football rests between the lines of scrimmage. However, the term *line of scrimmage* is usually used in its singular sense, for the imaginary line that passes through the most forward point of the ball (not, as is believed at Stanford, the ball's equator).

The corrected version: "We righties come to our side of the line of scrimmage with different mental sets . . ."

□

Time was, only one introduction was proper for the president of the United States. Nine words, no more, no less: "Ladies and gentlemen, the president of the *United States.*" Then, during the House speakership of Tip O'Neill, well-intended but unnecessary words were added: "It is my high honor and personal privilege to introduce the president of the *United States.*"

Letting the change go by without protest was a mistake. Listen to the way television anchors do it these days: "Now let's go to the White House and President George Bush." Or "and here from the Oval Office is the president." We've lost something. Is it because "Ladies and gentlemen" is passé? *Is that old phrase* soon to be replaced by "Listen up, you men and women"?

But those nine words had weight. More is less; maybe we should give the traditional introduction another try.

If this appeal is ignored, I have what arms negotiators call a fallback position. The reader may recall a recent piece in this space about the Obsequious Concluding Interrogatory, the rising inflection on a name that is de rigueur among electronic reporters ("... and that's all from here, *Dan?*").

How about this: "Ladies and gentlemen, the president of the United States. *George.*"

New York Times Service

TODAY'S

CAREER OPPORTUNITIES

Appears on page 6

PERSONALS

MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world, now & forever. Sacred heart of Jesus, pray for us. Saint Jude, worker of miracles, pray for us. Saint Jude, help of the hopeless, pray for us. Say this prayer nine times a day, by the ninth day your prayer will be answered. It has never been known to fail. Publication must be promised. F.G.R.

THANK YOU SACRED HEART of Jesus. Thank you Saint Jude. BD.

ALL SUITE HOTELS

THE ULTIMATE LUXURY **** ALL SUITE HOTEL AND RESTAURANT 46 AVE GEORGE V

Relais CARRE D'OR

Just off the CHAMPS ELYSEES
23 prestigious suites in a luxury residence offering warm hospitality in a refined and discreet atmosphere. A charming restaurant, room service, a beautiful inner garden, private parking.

RESERVATION:
Tel (1) 40.70.05.05. Fax (1) 47.23.30.90

ANNOUNCEMENTS

CASH IN ON YOUR GENERAL KNOWLEDGE

If you enjoy playing the Trivial Pursuit board game, you'll love the telephone version. It works very simply: our computer takes you around the board, asking questions from the original Genus 1 edition. You answer by dialing 1, 2 or 3 on your phone.

Complete the game in the least number of moves and you win £1,000. The next 20 best scores win £50.

Over 1,300 callers have won/are so far, sharing over £125,000 in prize money. Now we've got brand new questions and loads more prizes. Join our winners, phone today.

Trivial Pursuit

0898 33 22 35

Valid only in U.K.

Trivial Pursuit is a game owned & licensed by Horn Abbot International Ltd Computerdial Ltd Guildford, Surrey GU1 4JU. Touch-tone phones recommended. Calls cost 33p per min. cheap, 44p per min. other times (including VAT).

ENGLISH TITLE FOR SALE
This title of The Landship of the Manor of Leiston in Suffolk. Covers area which includes Sizewell Nuclear plant. Court records dating back to 13th century. Offers over £25,000. Interested parties should contact UK 0277 231 914.

LONDON THEATRE TICKETS Book now for: Phantom of the Opera; Aspects of Love; Miss Saigon; Cats; Les Mis. All sporting events and concerts. All major credit cards accepted. Phone: 071 929 5622 Fax: 071 929 5480.

MILA SCHON. The most refined of all ties, in ZURICH exclusively at - WEINBERG's - leading men's store - 13, Bahnhofstr. 01-211 29 50

ANNOUNCEMENTS

TO OUR READERS VISITING FROM THE U.S.A.

THE IHT IS NOW AVAILABLE IN MANY U.S. CITIES ON DATE OF ISSUE

Now printed by satellite transmission in New York the International Herald Tribune offers same-day home or office delivery in Manhattan, most areas of Boston, Houston, Los Angeles, Miami, Philadelphia, San Francisco and Washington D.C.

Subscription copies are now flown directly to Atlanta, Chicago, Denver and Seattle for speedy mail delivery.

In the U.S.A., call TOLL FREE 1-800-882-2884

In New York, call (212) 752-3890

or write International Herald Tribune 850 Third Avenue New York, N.Y. 10022 Telex: 427 175 Fax: (212) 755-8785

ALCOHOLICS ANONYMOUS English speaking meetings daily. Tel: PARIS 46 34 59 65 or ROME 678 0320.

MOVING

1992 - NOW!
interdean
INTERNATIONAL MOVERS
FOR A FREE ESTIMATE CALL
PARIS (1) 39569000
NICE COTE D'AZUR 93742121

MARTINI TECHNOTRAINS - NICE / CANNES. Tel: 93.39.43.44. Overseas Moving - Storage - Packing - Air/Sea Shipping, Car/Baggage, Clearance.

REAL ESTATE FOR SALE

FRENCH PROVINCES

CANNES, COTE D'AZUR: First floor studio apartment consisting of one double bedroom, one living/dining room, one kitchen, bathroom, Separate toilet. Suitable for a couple or a small family with one child. 100 meters from the Croisette and beaches in prestigious block built in 1985 and very little used by present owner. Price: F750,000. (Furniture could be purchased separately at cost if so desired). Please telephone Mr Paul Bertho for appointment to view (France 92 98 35 36 during working hours.)

PARIS & SUBURBS

15th, TOWN HOUSE
NAPOLEON III
On private historic road + access to street. 8 rooms, 180 sq.m. + 200 sq.m. treed garden, vaulted wine cellar, 30 sq.m. garage (2 additional 30 sq.m. floors possible). Character & charm. F 11,500,000. Tel. (1) 46.44.56.57.

AVENUE MONTAIGNE
Opposite Hotel Plaza, beautiful pied-à-terre, high security, living room, bedroom, fireplace, 2 baths, hall, etc. High price. Tel: a.m. (1) 47.20.56.06.

REAL ESTATE FOR SALE

PARIS & SUBURBS

Le Victor Hugo
PARIS 16TH
COLLECTION
QUALITY APARTMENTS
NEW BUILDING
in the most prestigious location. From 3 to 4 rooms, terraces and garden duplex.
CLOSE TO PLACE
VICTOR HUGO
11, rue Mesnil
Immediate occupancy, visit by appointment
Tel: (33) 1 47.27.49.41
Fax: (33) 1 42.94.23.81
ROCHER INVESTISSEMENT GROUPE PELEGE

17th, NEAR BATIGNOLES, high class free stone building, 4/5 rooms, 110 sq.m., quiet, light, 1st floor, lift, fitted kitchen, marble bathroom, maid's room. F3.3M. Owner: (1) 42 26 06 00

16th. Very large studio, calm, sunny, very light, art deco style. Newly redone. F1,200,000. Tel: (1) 45245895.

SPAIN

IBIZA in the perfect climate the best drive-in chalet, sale & the better view, 420 sq.m. on 1,920 sq.m. sea-slope. DM606,000. Spain (34) 71-317985

REAL ESTATE TO RENT/SHARE

GREAT BRITAIN

LONDON LEICESTER Sq. Furnished, newly decorated spacious apartment. 2 double beds, living/dining/kitchen, bath, tv, stereo, wash/dry, central heating, res park permit, year lease £1300 per month. Tel 071 930 8861.

KNIGHTSBRIDGE £56/night serviced luxury flats beside Harrods. From £29 in Kensington. Oxbridge Apartments Tel: 071 835-1611 Fax: 071 373-0036.

MONACO

CENTER OF MONTE CARLO
SPLENDID 4 ROOM APARTMENT
For rent prime location opposite the famous Casino in a new residential building large living area fully equipped kitchen, 3 bedrooms, 3 bathrooms, dressing, with independent studio apartment. UNIQUE VIEW of CASINO GARDENS AND MEDITERRANEAN
For further details please contact:
AGEDI
ERI Residential
26 Bis, Bd Princesse Charlotte MC 98000 MONACO
Tel: (33) 93 50 66 00 Telex: 479417MC Fax: (33) 93 50 19 42

PARIS AREA FURNISHED

For a day, a week or more
Rent a fully furnished and equipped flat with all traditional hotel services
Rent at the best town locations.
Paris, New York, Brussels, French Riviera. For one, two or five room flat.
Any further information:
FIATOTEL COENSON
14 rue du Theatre
75015 Paris
Tel: (1) 45 75 62 20

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

AGENCE CHAMPS ELYSEES
rents for 3 months or more
Neuilly, studio, F4800
Trocadero, studio, F6500
Passins, 2-room, F7500
Marais, 2-room, F8500
Front de Seine, 2-room, parking, F8500
Place des Vosges, 3-room, FF11,000
Monsa Picasso, 2-room, terrace, parking, F15,000
Montparnasse, 4-room, FF000
Passteur, 4-room, FF12,000
Cardinet, 4-room, FF12,000
Lenox, 5-room, 2 baths, F30,000
Rue St Louis, 6-room, 2 baths, F35,000
Meudon 5-room house, 2 baths FF12,000
(1) 42 25 32 25

74 CHAMPS ELYSEES
LE CLARIDGE
FOR 1 WEEK OR MORE
high class studio, 2 or 3-room apartments. FULLY EQUIPPED IMMEDIATE RESERVATIONS
Tel: (1) 43 59 67 97

AT HOME IN PARIS
3 MONTHS TO 3 YEARS
apartments for rent furnished or not
PARIS PROMO
Real Estate Agent - Property Manager
25 Ave Hoche, 75008 Paris. (1) 45632560

INTER URBIS
UNFURNISHED/FURNISHED RENTALS
FLATS & HOUSES FOR SALE
31 rue de Marignan, Paris 8th.
Tel: (1) 45 63 17 77

RESIDENCE CITY
THE VERY BEST RENTALS
Phone Paris (1) 45 27 12 19

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

EXCEPTIONAL
PARIS FURNISHED APARTMENTS
for three months or longer
Tel (1) 45 31 08 09, Fax: (1) 47 43 93 92

EXCLUSIVE FURNISHED RENTALS
First in quality and service
Tel: 1-47 53 86 38. Fax: 1-45 51 73 77.

PARIS BIENVENUE. Furnished studios & apartments in central Paris, nightly, weekly, monthly. Chauffeur available to & from airport. (1) 47 53 90 81.

PRESTIGIOUS AREA. Several apartments to rent, short or long terms. Call STAR SERVICES Tel (1) 45 00 43 61, Fax (1) 45 01 28 49

4th ST PAUL, spectacular renovated large living, study, 2 bedrooms, 2 baths, fireplaces, sunny, quiet, parking, very unique, F20,000. (1) 4720 3799

6th, ST GERMAIN, Beautiful double living, 3 bedrooms, eat-in kitchen, well furnished & equipped, sunny, quiet. F16,000. Tel: (1) 47 20 37 99

HIGH STANDARD furnished apartments, best areas from 3 months to 3 years. Exclusive Tel: (1) 47 53 86 38

GRAND PALAIS, COUR ALBERT 1er, elegant 60 sqm. studio, equipped separate kitchen. Owner: 1-47661356

7th BAC. Owner, 2-bedroom charming flat, recions & fully equipped, quiet. Tel: (1) 47 05 13 82.

ILE ST LOUIS very charming, living + bedroom, beautifully furnished, well equipped, quiet, F9,000. (1) 4720 3799

16th AUTEUIL, lovely double living, 2 bedrooms, big terrace, well furnished. F10,000. Tel: (1) 47 20 37 99

6TH CANETTES, tiny well-equipped studio, calm, F3000/month. Tel: (1) 40.46.01.59.

PARIS AREA UNFURNISHED

Embassy Service
8 Ave. de Messine
75008 Paris
YOUR REAL ESTATE AGENT IN PARIS
45.62.30.00
FAX 42.89.21.54

OWNER RENTS 16th: Nice 4 rooms, high class building, double living, 2 bedrooms, on street & garden, newly redone, cupboards, equipped kitchen. Upper floor. Metro Jasmin. F15,000 + charges. Tel: (1) 46 47 50 55.

EXECUTIVE RELOCATIONS helps you find accommodation in Paris. Save your time, get best conditions. 3 rue Berryer, 75008 Paris. Tel: 1-40740002

Tel, CONCORDE, character, 140 sq.m. Newly redone + maid's room. Tel: C.M.F. (1) 45.04.63.00.

USA

NEW YORK. French woman shares luxurious flat, Madison Ave., 3 rooms. $1100 + deposit. Paris (1) 43739398

BUSINESS MESSAGE CENTER

ATTENTION EXECUTIVES
Publish your business message in the International Herald Tribune, where more than a third of a million readers worldwide, most of whom are in business and industry, will read it. Just telex us (Paris 613595) before 10 a.m., assuring that we can telex you back, indicate which major credit card you wish to charge it to, the number and expiration date, and your message can appear within 48 hours. Please also include your address and telephone number for our files.

BUSINESS OPPORTUNITIES

CAN A ONE TIME CAPITAL INVESTMENT OF $30,000 RETURN YOU A POSSIBLE $10,000 A MONTH INCOME FOR YEARS?
YES!
HOW?
WITH COLOR COMPUTER PORTRAITS
that can be transferred on T-shirts, posters, mugs, buttons etc. KEMIA Color Computer Portraits is one of the hottest new businesses around. Interested? For more detailed information contact:
KEMIA HANDELS GMBH, Dept.HT2
PO Box 1703340/6 Frankfurt, FRG
Tel: 069/747808 Fax: 069/752974
Tlx: 412713

BUSINESS OPPORTUNITIES

OFFSHORE COMPANIES
TRUSTS
INSURANCE COMPANIES,
BANKS
We are ten years established in providing offshore services to companies engaged in all types of businesses.
ASTON CORPORATE MANAGEMENT
19, Peel Road, Douglas, Isle of Man.
Tel: 0624 26591 Tlx: 627691 ASTON
Fax: 0624 25126
Premier House, Westminster, London.
Tel:(1) 222 8866 Fax:(1) 233 1519.

INTERNATIONAL OFFSHORE COMPANY INCORPORATIONS FROM US$150
Comprehensive professional services include nominees, Representative offices, Powers of attorney, telex, telephone Fax, mail forwarding worldwide
Inland Resources
National House,
Santon, Isle of Man.
Phone: (0624) 824655
Tlx 628352 Inland G. Fax: (0624) 823949

BUSINESS OPPORTUNITIES

IRISH NON-RESIDENT COMPANIES £175
Ideal tax-avoidance vehicles: low profile, tax free & European. Suitable for trading, consultancy and other activities. For immediate service contact, Eilish Murphy, Sovereign Company Services, 3 Fitzwilliam Place, Dublin 2, Ireland. Tel: Dublin 619490 (International code 353 1) Fax 618493

MASTEREX, TEXAS Your passport to Eastern Europe offices Warsaw, Bucharest, Sofia & Prague. Looking for stock lots, textiles, footwear, electronics, cosmetic, foodstuff. We are also looking to represent manufacturing, distributors and companies for EE. Masterex, Texas, London. Tel: 071 486 1161. Fax: 071 486 0540.

GIBRALTAR COMPANY FORMATION
Full confidential and professional services. Gibraltar Trust Co. Ltd, P.O. Box 629, Gibraltar. Tel: 350-79013. Fax 350-70101. Tlx 2110 G Group GK

INTERIOR DESIGNER, bilingual, double nationality, U.S. professional background, seeks position with international company. Tel Paris 1-42.77.36.06

SEEK JOINT VENTURE or long term loan, low interest for 5 star hotel in Bangkok. 8 0 1 approved. Contact Mr. Robert, Fax (602) 248 4040

BUSINESS OPPORTUNITIES

HONG KONG CORP., $415. Annual cost $398. SR Ltd. 701/ 35 Queen's Rd. HK. Tel:852-5233672 Fax: 852-8400217.

BUSINESS SERVICES

LONDON ADDRESS BOND STREET. Mail, Phone, Fax, Telex, Conference room. Call 071-499-9192. Tx 262690.

IMMIGRATION AUSTRALIA/NEW ZEALAND, businessmen or skilled workers. Tel: lawyer Paris (1) 45259410

GOLD

GOLD. Contact ENIGMA, 30-32 Mortimer Street, London W1N 7RA. Tel UK 071 580 0557.

OFFICES FOR RENT

PARIS
BUSINESS DISTRICT
TRIANGLE D'OR
High class offices 100 to 150 sq.m. and very luxurious boutique.
1st CLASS ADDRESS
Good commercial premises and offices or good locations for quality boutiques.
PARIS YEAR 2000
La Défense - Cergy - Marne La Vallée surfaces 1,000 to 10,000 sq.m. or more, land and project studies
EMBASSY BROKER
GROUPE EMBASSY SERVICE
(1) 45 62 62 14

FULLY EQUIPPED OFFICES
on short or long term hire basis
Conference rooms
Domiciliation, mail, telex, fax
ACTE
BOULOGNE (1) 46 03 78 32
MARNE LA VALLEE (1) 60 17 55 00
LA BOETIE (1) 43 59 77 55
FBG ST HONORE (1) 45 59 77 55

EMPLOYMENT

DOMESTIC POSITIONS AVAILABLE

AU PAIR NEEDED. 6 month minimum stay. English & French speaking family. 10 year old boy. 5 & 6 year old girls. Mother speaks fluent German also. Independent room with bath, TV, etc. Tel: Evenings (33) 5020 0065 (Divorne Les Bains - France, 10 mins Geneva).

DOMESTIC POSITIONS WANTED

GOVERNESS (HOUSE) French, cultivated, can travel, very responsible. Please tel Switzerland 41-21/732.63.67

EXPERIENCED CHAUFFEUR, 10 yrs embassy seeks Paris job. Can travel. English, some French. (1) 39866579

AUTO SHIPPING

TRANSCAR 17 av de Friedland, 75008 Paris. (1) 4225 6444, Nice 9321 3550. Antwerp 233 9985. Cannes 9339 4344

AUTOS TAX FREE

TRANSCO S.A. In our 18,000 sqm. premises, we keep a stock of more than 200 brand new cars of most makes and models, competitively priced. We provide: sales - insurance - registration - shipping. Ask for our free colour catalogue. TRANSCO S.A. - 95, Noorderlaan - 2030 Antwerp - Belgium. Tel: 03/542.62.40. Tlx: 32257 TRANS B - Fax: 03/542.58.97.

TRASCO BREMEN. Tax free new and used Alfa, Audi, BMW, Ford, Mercedes, Opel, Porsche, Volkswagen, Volvo. Steenbrinker 38, 2820 Bremen 77, Germany. Tlx: 246624. Fax: (0)421/630205. Tel: (0)421/633044.

TRASCO BREMEN Mercedes + Audi Armored cars & stretched limousines from stock. Steenbrinker 38, D-2820 Bremen 77 Germany. Tlx: 246624. Fax: (0)421/630205. Tel: (0)421/633044.

AUTO SERVICES

LICENSE PLATES expired? Fast solution: Punshon Ltd. BOM Box 49, LONDON WC1N 3XX; UK. 071-4045011; fx 081-9055342. We also insure cars at once.

AUTO RENTALS

CENTURY SELF DRIVE
New cars - Unlimited mileage

	F	
RENAULT 5	F	969/week
RENAULT CLIO	F	1,049/week
PARIS/OPERA	(1)	42 61 68 68
ORLY AIRPORT	(1)	45 97 78 68
C.D.G. AIRPORT	(1)	34 29 80 06
NICE		93 21 71 18
LYON		78 95 44 88
MARSEILLE		42 79 28 28

LEGAL SERVICES

DIVORCE IN 24 HOURS, Dominican Legal since 1971. Send $4 for book: Atty. Dr. Martinez, P.O. Box 65675, Washington, D.C 20035 USA

ANTIQUES

IMPORTANT Indonesian works of art. All materials/all periods. Coming to Jakarta? Let us pick you up at the airport and book your hotel. Tel: 769 7951. Fax: 380 9595 attn: Tribal.

LOW COST FLIGHTS

WORLDWIDE scheduled departure at the lowest ever discount economy airfare. Credit cards possible. Tel: Paris (1) 42 89 10 81 Fax: 42 56 25 82

LOW COST FLIGHTS

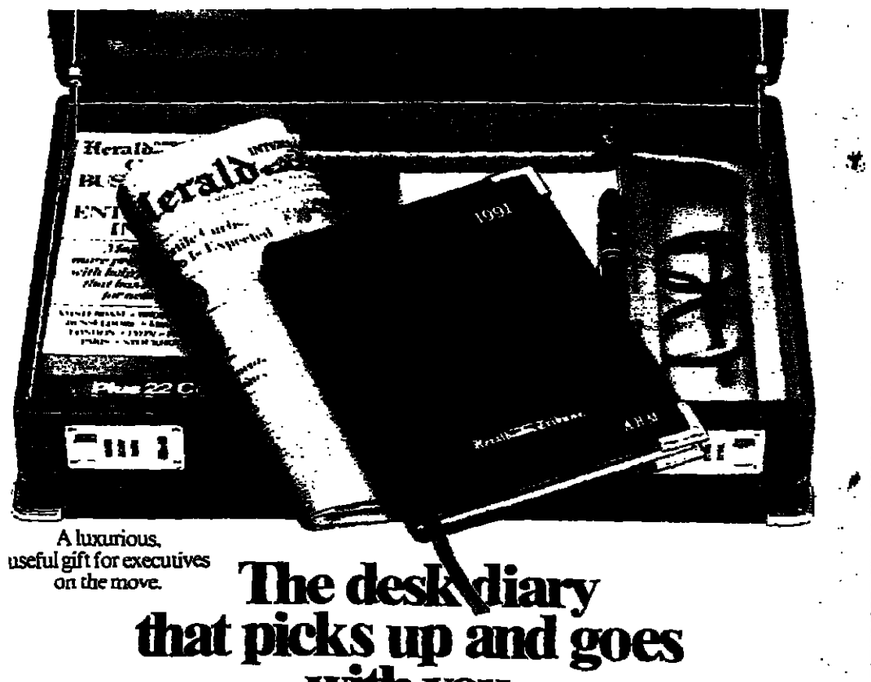
ACCESS VOYAGES

	One Way	Round Trip
New York	F1292	F2292
Los Angeles	F2035	F3865
Miami	F1940	F3689
Montreal	F1140	F1980
Vancouver	F2250	F4098
Rio de Janeiro	F2970	F5236
Australia	F4780	F9360
Japan	F4240	F7395
Caribbean	F1800	F3259

and more destinations
Discount on 1st & business class
Rates subject to modifications
Restrictions may apply.
Tel: (1) 40.13.02.22 & 42.21.44.MN
Fax 45 08 83 38
6 rue Pierre Lescot, 75001 Paris
Metro - RER Chatelet Les Halles
Rue. 1.75.11.1...and also

ACCES IN LYONS
Tour Credit - Lyonnais, 129 rue Servient 69003 Lyons. Tel (-) 78 63 67 77
Book now by phone with credit card

Page 4
FOR MORE CLASSIFIEDS



A luxurious, useful gift for executives on the move.

The desk diary that picks up and goes with you

Half your life's story — or even more — is inscribed on the pages of your desk diary. Yet when you travel or go to meetings, most desk diaries are too cumbersome to take along.

That's why the International Herald Tribune — constantly alert to the needs of busy executives — had this desk diary especially designed for its readers. Bound in luxurious silk-grain black leather, it's perfect on your desk, offering all the noting space of any standard desk diary. Yet pick it up and you'll find it weighs a mere 340 grams (12 oz.).

No voluminous data and statistics are included in this diary, but on the other hand a removable address book saves hours of re-copying from year to year.

Diary measures 22 x 15 cm (8.5 x 6 in.), fits easily into the slimmest attaché case, and has gilt-metal corners, gold page-edges and French blue paper. Personalized with gilt initials on the cover, it's a marvelous gift for friends, business contacts and associates. (Note that quantity discounts are available.) Please allow three weeks for delivery.

Herald Tribune
International Herald Tribune, Karen Diot, Special Projects Division.
181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

Payment is by credit card only. All major cards accepted.
(Please note that French residents may pay by check in French francs, at the current exchange rate. We regret that checks in other currencies cannot be accepted.)

Please charge to my credit card: ☐Access ☐Visa ☐Amex ☐Eurocard ☐Diners ☐MasterCard

Card No. _____ Exp. date _____

Signature _____ (necessary for credit card purchases)

Please send me _____ 1991 IHT Desk Diaries.
Price includes initials, packing and postage in Europe.

INITIALS (3 for $ per diary)

1-4 diaries	5-9 diaries	10-19 diaries	Outside Europe	Outside Europe
U.S. $44 each	U.S. $42 each	U.S. $40 each	U.S. $8 each	U.S. $1 per order

Name _____ (IN BLOCK LETTERS)
Address _____
City/Code/Country _____ 22-10-90

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.